

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: UCLA
GRAND HORIZON ROOM
3D FLOOR, COVEL COMMONS, SUNSET
330 DE NEVE DRIVE
LOS ANGELES, CALIFORNIA

DATE: WEDNESDAY, DECEMBER 12, 2007
9:28 A.M.

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BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 LOS ANGELES, CALIFORNIA; WEDNESDAY, DECEMBER 12, 2007

2 09:28 A.M.

3

4 CHAIRMAN KLEIN: ALL RIGHT. IF I CAN GET POWER
5 HERE, WE'D LIKE TO COMMENCE THE FORMAL SESSION. IN
6 COMMENCING THE FORMAL SESSION, I'D LIKE TO THANK THE
7 HUNTINGTON COMMUNITY FOR THEIR TREMENDOUS PRESENTATION
8 THIS MORNING IN THE SPOTLIGHT. I'D LIKE TO SPECIFICALLY
9 THANK FRANCES SALDANA AND HER DAUGHTER MARGIE. I'D LIKE
10 TO THANK DR. OS STEWARD OF OUR BOARD, HANS KEIRSTEAD FOR
11 HIS CONTINUING BRILLIANT WORK, AND, OF COURSE, ROBERT
12 PACIFICI. IT'S A CHALLENGING NAME. AND, ROBERT, YOU'LL
13 EDUCATE ME NEXT TIME ON HOW TO PROPERLY PRONOUNCE YOUR
14 NAME. BUT THANK YOU SO MUCH FOR YOUR PRESENTATIONS. IT
15 WAS A TREMENDOUSLY POWERFUL STORY THAT NEEDS TO BE TOLD
16 BROADLY, AND HOPEFULLY WE CAN COORDINATE WITH YOU AND GET
17 SOME OF THIS ON OUR WEBSITE SO THE GREATER COMMUNITY CAN
18 UNDERSTAND THE CHALLENGES AND THE NEED FOR SUCH INTENSE
19 DEDICATION.

20 AS WE GO FORWARD THIS MORNING THROUGH OUR
21 AGENDA, WE WILL HAVE PUBLIC COMMENT WITH EACH ITEM IN OUR
22 AGENDA. WE WILL HAVE GENERAL PUBLIC COMMENT AT THE END,
23 AND WE WOULD ASK THAT PUBLIC COMMENT BE RESTRICTED TO
24 THREE MINUTES EACH BECAUSE OF THE LENGTH OF THE AGENDA,
25 THE NEED FOR A QUORUM, AND THE RISK OF LOSING THE QUORUM

BARRISTERS' REPORTING SERVICE

1 BEFORE WE GET THROUGH ALL OF THE CRITICAL ITEMS.

2 I WOULD LIKE TO VERY SPECIFICALLY, IN OPENING
3 THIS SESSION, MAKE CERTAIN THAT WE UNDERSTAND THAT ANY
4 OTHER COMMUNICATIONS WE'VE RECEIVED WILL BE READ WITH THE
5 RELEVANT ITEM RATHER THAN AT THE BEGINNING, SO IT CAN
6 RELATE IN TIME TO THE ITEM THAT IT ADDRESSES.

7 WITH THAT, MELISSA KING, WOULD YOU CALL THE
8 ROLL PLEASE AFTER THE PLEDGE OF ALLEGIANCE.

9 MS. KING: YES. IF YOU WOULD PLEASE STAND IF
10 YOU ARE ABLE.

11 (THE PLEDGE OF ALLEGIANCE.)

12 MS. KING: RICARDO AZZIZ.

13 DR. AZZIZ: PRESENT.

14 MS. KING: ROBERT PRICE FOR ROBERT BIRGENEAU.

15 DR. PRICE: HERE.

16 MS. KING: FLOYD BLOOM.

17 DR. BLOOM: HERE.

18 MS. KING: DAVID BRENNER.

19 DR. BRENNER: HERE.

20 MS. KING: ALBERT BENNETT FOR SUSAN BRYANT.

21 DR. BENNETT: HERE.

22 MS. KING: MARSHA CHANDLER. MARCY FEIT.

23 MS. FEIT: HERE.

24 MS. KING: MICHAEL FRIEDMAN.

25 DR. FRIEDMAN: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: LEEZA GIBBONS.

2 MS. GIBBONS: HERE.

3 MS. KING: MICHAEL GOLDBERG.

4 MR. GOLDBERG: HERE.

5 MS. KING: FRANCIS MARKLAND FOR BRIAN
6 HENDERSON.

7 DR. MARKLAND: HERE.

8 MS. KING: DAVID KESSLER. BOB KLEIN.

9 CHAIRMAN KLEIN: HERE.

10 MS. KING: SHERRY LANSING.

11 MS. LANSING: HERE.

12 MS. KING: GERALD LEVEY.

13 DR. LEVEY: HERE.

14 MS. KING: TED LOVE.

15 DR. LOVE: HERE.

16 MS. KING: TINA NOVA. ED PENHOET.

17 DR. PENHOET: HERE.

18 MS. KING: PHIL PIZZO. CLAIRE POMEROY.
19 FRANCISCO PRIETO.

20 DR. PRIETO: HERE.

21 MS. KING: JOHN REED. DUANE ROTH.

22 MR. ROTH: HERE.

23 MS. KING: JOAN SAMUELSON. DAVID
24 SERRANO-SEWELL. JEFF SHEEHY.

25 MR. SHEEHY: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JONATHAN SHESTACK. OSWALD STEWARD.

2 DR. STEWARD: HERE.

3 MS. KING: JANET WRIGHT.

4 DR. PRIETO: I BELIEVE DR. POMEROY IS HERE,
5 ALTHOUGH SHE'S NOT IN THE ROOM.

6 CHAIRMAN KLEIN: WELL, THANK YOU VERY MUCH.
7 AND IT IS A DELIGHT TO BE BACK AT UCLA. THANK YOU, DR.
8 LEVEY, FOR HOSTING, AND YOUR FABULOUS TEAM IN GETTING
9 EVERYTHING READY FOR THIS MEETING, PARTICULARLY CHARLIE
10 AND LEAH. IT TAKES A LOT TO PUT THE LOGISTICS TOGETHER
11 WITH OUR STAFF, AND WE DEEPLY APPRECIATE ALL OF THAT
12 EFFORT.

13 WE HAVE THE OPPORTUNITY TODAY TO REVIEW A
14 NUMBER OF CRITICAL SUBSTANTIVE EFFORTS WHICH WILL BE
15 BEGINNING WITH THE ITEMS AFTER THE CHAIRMAN AND THE
16 PRESIDENT'S REPORT. BUT I'D LIKE TO KNOW IF WE HAVE A
17 MOTION TO ADOPT THE CONSENT ITEMS, SPECIFICALLY THE
18 MINUTES OF THE OCTOBER 3D ICOC MEETING, WHICH IS ITEM 4.

19 DR. LEVEY: SO MOVED.

20 MS. LANSING: SECOND.

21 CHAIRMAN KLEIN: IT'S BEEN MOVED AND SECONDED.
22 AND DID THE REPORTER GET THE PARTY MAKING THE MOTION AND
23 THE SECOND?

24 THE REPORTER: GOT IT.

25 CHAIRMAN KLEIN: ALL IN FAVOR? OPPOSED?

BARRISTERS' REPORTING SERVICE

1 CONSIDERATION OF THE PERMANENT ADOPTION OF THE
2 GRANT ADMINISTRATION POLICY FOR FACILITIES. AS A CONSENT
3 ITEM, DO WE HAVE A MOTION FOR APPROVAL?

4 DR. PENHOET: SO MOVED.

5 DR. PRIETO: SECOND.

6 CHAIRMAN KLEIN: SECOND, DR. PRIETO. AND IS
7 THERE ANY PUBLIC COMMENT ON THIS ITEM? SEEING NONE, ALL
8 IN FAVOR? OPPOSED?

9 ITEM 6, CONSIDERATION OF STANDARDS WORKING
10 GROUP ITEMS FOR FINAL ADOPTION OF THE REGULATIONS AS
11 CITED IN THE AGENDA.

12 MS. KING: CHAIRMAN KLEIN, WE'RE NOT
13 CONSIDERING THAT ITEM TODAY, JUST AS A REMINDER.

14 CHAIRMAN KLEIN: THAT ITEM HAS BEEN REMOVED
15 FROM THE CONSENT LIST AS WE GO FORWARD.

16 I'D LIKE TO CALL TO OUR ATTENTION THIS MORNING
17 THAT WE HAVE TWO NEW BOARD MEMBERS WITH US. WE HAVE
18 DR. FLOYD BLOOM, WHO IS HERE THIS MORNING ON MY LEFT,
19 REPRESENTING SCRIPPS. THE VERY FAMOUS BACKGROUND AS THE
20 EDITOR OF *SCIENCE* AS WELL AS TREMENDOUS RESEARCH HISTORY.

21 AND TO MY RIGHT WE HAVE LEEZA GIBBONS, WHO IS A
22 TREMENDOUS PERSONALITY IN HOLLYWOOD AS WELL AS A GREAT
23 LEADER FOR ALZHEIMER'S. AND I'D LIKE TO PARTICULARLY
24 MENTION THAT AT THE KICKOFF GALA IN LOS ANGELES IN 2004,
25 WHEN THE INITIATIVE, PROPOSITION 71, WAS GIVEN A HUGE

BARRISTERS' REPORTING SERVICE

1 LIFT, IT WAS LEEZA AND NANCY REAGAN AND MICHAEL J. FOX
2 THAT WERE THERE TO REALLY DRAW THE PUBLIC'S ATTENTION TO
3 HOW CRITICAL IT IS TO ADVANCE THERAPY RESEARCH. LEEZA
4 GAVE A TREMENDOUS PRESENTATION AT THAT EVENT. SO SHE'S
5 BEEN WITH US IN SPIRIT AND COMMITMENT A LONG TIME BEFORE
6 THIS APPOINTMENT BY THE GOVERNOR.

7 SO I'D LIKE A QUICK ROUND OF APPLAUSE FOR BOTH
8 OF THESE NEW MEMBERS.

9 (APPLAUSE.)

10 CHAIRMAN KLEIN: IN BEGINNING THE CHAIRMAN'S
11 REPORT, IT IS IMPORTANT AS WE GO THROUGH OUR CHALLENGES
12 DAY TO DAY TO GET OBJECTIVE, OUTSIDE ANALYSIS AND
13 COMMENTARY FROM SEASONED VETERANS OF GOVERNMENT
14 INITIATIVES. IN THE PROPOSITION 71 STATUTE, IT PROVIDES
15 THAT THERE IS A CALIFORNIA FINANCIAL OVERSIGHT COMMITTEE,
16 THE ONLY AGENCY IN THE STATE THAT HAS ITS OWN OVERSIGHT
17 COMMITTEE. IT'S CHAIRED BY THE CONTROLLER. THE
18 TREASURER HAS AN APPOINTMENT. THE PRESIDENT OF THE
19 SENATE HAS AN APPOINTMENT, AS DOES THE SPEAKER. I HAVE
20 ONE APPOINTMENT TO THAT COMMITTEE.

21 AND THE TREASURER'S APPOINTEE, COMPLETELY
22 UNSOLICITED, AFTER THIS LAST MEETING IN NOVEMBER MADE A
23 STATEMENT AT THE END, HAVING HEARD OUR AUDIT REPORT,
24 WHICH WAS AN UNQUALIFIED AUDIT, HAVING HEARD OUR IP
25 POLICY PRESENTED BY OUR EMINENT COLLEAGUE, DR. PENHOET,

BARRISTERS' REPORTING SERVICE

1 HAVING HEARD THE ISSUES WITH CONFLICTS THAT WE HAVE FACED
2 AND ARE REFINING OUR POLICIES TO ADDRESS, AND THIS IS AN
3 INDIVIDUAL WHO, MR. BRUNNER, WHO, IN FACT, HEADED UP ONE
4 OF THE STATE AGENCIES TO IMPLEMENT A MAJOR PART OF THE
5 MEDI -CAL PROGRAM.

6 AND IN LOOKING BACK AT HIS EXPERIENCE AND
7 LOOKING AT OUR EXPERIENCE IN HISTORY AND ACHIEVEMENTS,
8 I'D LIKE TO READ YOU PART OF WHAT HE SAID. HE SAID,
9 "I'VE HAD THE OPPORTUNITY IN MY PROFESSIONAL CAREER TO
10 START A COMPANY AND ALSO START A STATE AGENCY THAT WAS
11 BRAND NEW AND WAS UNDER AN ENORMOUS AMOUNT OF PUBLIC
12 SCRUTINY. SO I HAVE A PRETTY GOOD SENSE OF WHAT IT'S
13 LIKE TO FULFILL A MISSION OF THE AGENCY AND AT THE SAME
14 TIME GO FROM BASICALLY ZERO TO A HUNDRED ON BUILDING
15 INFRASTRUCTURE.

16 "IT'S A VERY DIFFICULT PROCESS AND ONE WHERE
17 UNFORTUNATELY I'M SITTING HERE REMEMBERING BACK ON THE
18 MISTAKES I MADE IN DOING IT AND ADMIRING HOW FEW MISTAKES
19 YOU'VE MADE IN PROCEEDING AHEAD WITH THIS IMPORTANT
20 FUNCTION.

21 "AS I READ THE FOUR CORNERS OF THE VARIOUS
22 AUDIT REPORTS THAT HAVE BEEN PRESENTED TO US, I CAN SAY
23 THAT, WHILE THERE HAVE BEEN SOME ISSUES RAISED, NONE OF
24 THEM ARE FUNDAMENTAL. THEY'RE BASICALLY SOME PROCESS
25 ISSUES THAT NEED CLEANING UP. "

BARRISTERS' REPORTING SERVICE

1 HE SAYS, "THIS IS JUST INHERENTLY RUNNING ANY
2 BUSINESS, WHETHER IT'S IN THE PUBLIC SECTOR OR PRIVATE
3 SECTOR. I THINK OVERALL WE CAN GLEAN FROM THIS THAT
4 YOU'VE DONE A VERY GOOD JOB. I PERSONALLY WANT TO
5 COMPLIMENT YOU AND YOUR STAFF ON THE WORK YOU'VE DONE IN
6 FURTHERING THIS IMPORTANT MISSION."

7 MYRTLE POTTER, WHO ALSO SITS ON THE COMMISSION,
8 IS AN INDIVIDUAL WHO HAS A TREMENDOUS SPECTRUM AND
9 INSIGHT INTO THE BIOTECH AND PHARMA AREA INTO THERAPY
10 DEVELOPMENT BECAUSE SHE WAS GLOBAL HEAD OF GENENTECH'S
11 EFFORT AT COMMERCIALIZATION. AND ADDING A FEW OF HER
12 WORDS AT THE END OF THE SESSION, SHE SAYS, "I JUST WANT
13 TO ECHO THE COMMENTS OF MY FELLOW COMMITTEE MEMBER. THE
14 WORK IS JUST MONUMENTAL. IT'S SIMPLY MONUMENTAL.

15 "I'VE SEEN MANY COMPANIES COME AND GO AND GROW,
16 AND THE PACE AT WHICH THIS ORGANIZATION HAS MOVED, THE
17 RATE AT WHICH IT HAS BROUGHT ON TALENT, THE DEGREE TO
18 WHICH YOU HAVE DRAWN TALENT FROM AROUND THE WORLD TO THIS
19 WONDERFUL STATE FOR A CAUSE THAT WE SO SINCERELY BELIEVE
20 IS JUST -- JUST SHOULD BE COMMENDED."

21 SHE ENDED BY SAYING, "I CAN TELL YOU THAT I'M
22 VERY PROUD. I'M VERY PROUD TO BE ON THIS COMMITTEE. I'M
23 EXTREMELY PROUD FOR OUR WONDERFUL STATE AND, MOST
24 IMPORTANTLY, I'M JUST THRILLED FOR THE PATIENTS WHO WILL
25 SO GREATLY BENEFIT FROM WHAT YOU'RE DOING. SO I JUST

BARRISTERS' REPORTING SERVICE

1 COMMEND YOU AND ASK YOU TO KEEP UP THE GOOD WORK, STAY
2 DILIGENT, TAKE FULL ADVANTAGE OF IT. THE AUDIT OVERSIGHT
3 AND QUESTIONING, ALL THAT IS GOOD. TRANSPARENCY IS GOOD.
4 IT'S ALL GOOD. JUST KEEP GOING STRONG AND KEEP WORKING
5 HARD. "

6 IT'S GREAT TO HAVE SOME CONTEXT. IT'S GREAT TO
7 HAVE INDIVIDUALS WHO HAVE TREMENDOUS EXPERIENCE IN THE
8 AREA LOOKING AT THE OVERALL EFFORTS OF THIS FIRST THREE
9 YEARS. BECAUSE CERTAINLY WHEN THIS INITIATIVE STARTED,
10 WE KNEW IT WOULD TAKE US ABOUT THREE YEARS TO GET OUR
11 SYSTEMS REFINED AND UP. AND IT IS A MAJOR SET OF
12 ACCOMPLISHMENTS THAT WE HAVE ADDRESSED.

13 DR. MURPHY WILL ADDRESS THOSE ACCOMPLISHMENTS,
14 SO I WILL NOT ADDRESS THEM INDIVIDUALLY. BUT WHAT I
15 WOULD LIKE TO SAY IS WHILE THE STAFF IS A TREMENDOUS
16 ASSET OF DEDICATED PEOPLE, I AM PERSONALLY, AS A PATIENT
17 ADVOCATE, TREMENDOUSLY APPRECIATIVE OF THE DEANS, THE
18 PRESIDENTS OF THE INSTITUTES, THE PRESIDENTS OF THE
19 RESEARCH HOSPITALS ON THIS BOARD, THE INDIVIDUAL
20 REPRESENTATIVES OF INDUSTRY. AS A PATIENT ADVOCATE, I
21 LOOK AT THE RESOURCES ON THIS BOARD AND THE REMARKABLE
22 COMMITMENT IN OVER A HUNDRED PUBLIC MEETINGS. AND I
23 THINK THAT LONG BEFORE I WAS EVER COMMITTED TO THIS
24 ENTERPRISE, THEY WERE WORKING HARD WITH DEDICATION AT
25 CONTRIBUTING TO THE HEALTH OF THE PEOPLE OF THIS STATE,

BARRISTERS' REPORTING SERVICE

1 TO MY FAMILY, TO THE PEOPLE OF THIS NATION, AND BEYOND.

2 WHEN WE JUDGE INDIVIDUAL ACTIONS, WHEN WE JUDGE
3 MISTAKES THAT I MAKE OR OTHER MEMBERS OF THIS BOARD MAKE,
4 WE SHOULD REALIZE THAT THOSE PEOPLE ON THIS BOARD WHO
5 HAVE DEDICATED SO MUCH OVER THE LAST THREE YEARS, WHO
6 HOLD DOWN EXTRAORDINARY POSITIONS IN MEDICAL SCHOOLS, IN
7 RESEARCH HOSPITALS, AND RESEARCH INSTITUTIONS, HAVE PUT
8 THEIR LIFE ON THE LINE FOR PATIENTS EVERYWHERE. THEY
9 HOLD MULTIPLE POSITIONS. THEY HAVE EXTREMELY TOUGH
10 SCHEDULES. THEY'RE DEDICATED TO THE ENDS AND THE
11 MISSIONS OF THIS INSTITUTION. AND WE SHOULD REMEMBER IN
12 CONTEXT THAT EVERYONE HAS MADE AN EXTRAORDINARY EFFORT
13 THAT BEGAN MANY YEARS AGO AND HAS NEVER FALTERED.

14 WITH THAT, I'D LIKE TO TURN TO THE PRESIDENT,
15 DR. RICHARD MURPHY.

16 DR. MURPHY: MR. CHAIRMAN, THANK YOU VERY MUCH.
17 BEFORE I BEGIN, I TOO WOULD LIKE TO SHARE WITH THE ICOC
18 MY OBSERVATIONS ON THE RECENT EVENTS THAT HAVE OCCURRED
19 AT CIRM.

20 OVER THE PAST SEVERAL WEEKS, WE HAVE BEEN
21 THROUGH SOME CHALLENGING ISSUES THAT HAVE INVOLVED CIRM
22 AND THE ICOC'S MEMBERS, ISSUES THAT HAVE BEEN FULLY
23 DISCUSSED BY THE PRESS AND BY CIRM'S MANY CRITICS. WE
24 ALWAYS BENEFIT FROM CONSTRUCTIVE SUGGESTIONS; HOWEVER, I
25 THINK WE ALSO NEED TO KEEP OUR CRITICS IN PERSPECTIVE.

BARRISTERS' REPORTING SERVICE

1 IN THAT REGARD, I'M REMINDED OF THE WORDS OF
2 COMPOSER JEAN SIBELIUS, WHO ONCE SAID, "REMEMBER A STATUE
3 HAS NEVER BEEN SET UP TO HONOR A CRITIC." IN MY VIEW OUR
4 RECENT PROBLEMS AROSE NOT BECAUSE ICOC MEMBERS WERE
5 INTENTIONALLY TRYING TO COMPROMISE CIRM'S RULES, BUT
6 RATHER FROM INADVERTENT AND INNOCENT MISTAKES OR BECAUSE
7 OF AMBIGUITIES IN HOW CIRMS' S GUIDELINES INTERFACE WITH
8 STATE REGULATIONS.

9 SPECIFICALLY WE NEED TO LOOK AT FOOTNOTE NO. 1
10 IN THE ICOC'S OWN CONFLICT OF INTEREST POLICY, A FOOTNOTE
11 THAT I, WITH THE REST OF THE ICO MEMBERS, WAS INVOLVED IN
12 MAKING. AND THIS FOOTNOTE PLAYED A MAJOR ROLE IN THE
13 MISUNDERSTANDINGS THAT LED TO THE PROBLEMS THAT WE FACE
14 TODAY, THE TWO SETS OF PROBLEMS. AND I HOPE, MR.
15 CHAIRMAN, THAT SOMETIME TODAY WITH COUNSEL WE HAVE A
16 CHANCE TO LOOK AT FOOTNOTE 1 IN OUR OWN CONFLICT OF
17 INTEREST GUIDELINES. WE NEED TO CORRECT THAT CONFLICT,
18 AND WE NEED TO DEAL WITH AND CLARIFY THE AMBIGUITIES THAT
19 GAVE RISE TO THESE ISSUES.

20 IN ADDITION, IT'S IMPORTANT TO EMPHASIZE THAT
21 WE ARE A NEW AND PRECEDENT SETTING ORGANIZATION FOR WE
22 ARE THE FIRST STATE AGENCY IN THE HISTORY OF THIS COUNTRY
23 TO FUND MEDICAL RESEARCH AT THIS HIGH LEVEL. CERTAINLY
24 WE ALWAYS NEED TO LEARN TO IMPROVE AND TO BE BETTER AT
25 PREDICTING WHERE UNEXPECTED HURDLES AND AMBIGUITIES CAN

BARRISTERS' REPORTING SERVICE

1 A R I S E . B U T L E T U S N O T B E D E T E R R E D F R O M O U R M I S S I O N B Y
2 H O N E S T M I S T A K E S , A N D L E T U S N O T F O R G E T T H A T T H E I S S U E S
3 T H A T W E A R E C O N F R O N T I N G N O W P A L E I N C O M P A R I S O N T O C I R M ' S
4 A C H I E V E M E N T S .

5 T H E I C O C S H O U L D T A K E G R E A T P R I D E I N K N O W I N G
6 T H A T I N T H R E E S H O R T Y E A R S , S I N C E T H E E L E C T I O N O F N O V E M B E R
7 2 0 0 4 , C I R M ' S L I S T O F A C C O M P L I S H M E N T S I S T R U L Y R E M A R K A B L E .
8 C I R M H A S D E F E A T E D I N C O U R T O P P O N E N T S W H O T R I E D T O D E R A I L
9 T H E W I L L O F T H E P E O P L E W H O V O T E D F O R P R O P O S I T I O N 7 1 .
10 C I R M H A S C R E A T E D A F I R S T - R A T E F U N D I N G A G E N C Y F O R
11 S U P P O R T I N G S C I E N T I F I C R E S E A R C H . C I R M H A S A S S E M B L E D A
12 G R A N T S W O R K I N G G R O U P C O M P O S E D O F S O M E O F T H E C O U N T R Y ' S
13 B E S T S C I E N T I S T S F R O M L E A D I N G R E S E A R C H I N S T I T U T I O N S T O
14 H E L P U S E V A L U A T E G R A N T A P P L I C A T I O N S . C I R M H A S
15 E S T A B L I S H E D E T H I C A L G U I D E L I N E S F O R W O R K I N G W I T H S T E M
16 C E L L S T H A T H A V E B E C O M E W O R L D S T A N D A R D S . C I R M H A S C R E A T E D
17 I N T E L L E C T U A L P R O P E R T Y P O L I C I E S T H A T W I L L E N S U R E T H A T T H E
18 P E O P L E O F C A L I F O R N I A W I L L B E N E F I T M E D I C A L L Y A N D A L S O
19 F I N A N C I A L L Y F R O M T H E I N V E S T M E N T S T H E Y H A V E M A D E I N S T E M
20 C E L L R E S E A R C H .

21 C I R M H A S A L S O P R O C E S S E D O V E R 4 0 0 G R A N T
22 A P P L I C A T I O N S A N D C O M M I T T E D O V E R \$ 2 0 0 M I L L I O N I N G R A N T S
23 F O R R E S E A R C H , T R A I N I N G , A N D F A C I L I T I E S . A N D E A C H O F Y O U
24 I N F R O N T O F Y O U N O W H A V E T H A T C O M P E N D I U M O F A L L T H E L I S T
25 O F A W A R D S T H A T H A V E B E E N A W A R D E D B Y C I R M . B Y T H E S U M M E R

BARRISTERS' REPORTING SERVICE

1 OF 2008, WE ARE PREDICTED TO HAVE COMMITTED APPROXIMATELY
2 \$500 MILLION IN FUNDS FOR THE SUPPORT OF STEM CELL
3 RESEARCH, WHICH WILL MAKE US THE WORLD'S LARGEST
4 SUPPORTER OF EMBRYONIC STEM CELL RESEARCH AND THE ENVY OF
5 THE WORLD IN OUR ABILITY TO FUND THIS TYPE OF WORK.

6 (DR. AZZIZ ARRIVED.)

7 DR. MURPHY: IN THE COMPETITION THAT THE ICOC
8 WILL VOTE ON TODAY, CIRM WILL FUND WHAT MANY HAVE CALLED
9 THE LOST GENERATION OF MEDICAL SCIENTISTS, OUTSTANDING
10 YOUNG M.D. AND PH.D. SCIENTISTS WHO HAVE BEEN DELAYED IN
11 ESTABLISHING INDEPENDENT RESEARCH LABORATORIES BECAUSE OF
12 CUTBACKS IN FEDERAL FUNDING.

13 AND CIRM HAS ACHIEVED THESE MILESTONES WITH A
14 SKELETON CREW OF STAFF, MOST OF WHOM ARE NEW TO THE FIELD
15 AND LEARNING ON THE JOB. FORTUNATELY OUR STAFF'S
16 COMMITMENT, INTELLIGENCE, AND WILLINGNESS TO WORK LONG
17 HOURS HAVE PAID OFF IN ALLOWING CIRM TO MOVE FAR MORE
18 EXPEDITIOUSLY THAN ANY ONE OF US MIGHT HAVE HOPED.

19 IN SUMMARY, MR. CHAIRMAN, WE MUST ALWAYS
20 ENDEAVOR TO CORRECT SHORTCOMINGS, BUT LET US NOT FORGET
21 THAT CIRM HAS NOW BEGUN THE LONG TREK TOWARDS REALIZING
22 PROPOSITION 71'S VISION OF DEVELOPING STEM CELL THERAPIES
23 TO RELIEVE THE SUFFERING OF THOSE THAT ARE WROUGHT BY
24 INTRACTABLE DISEASES. THE JOURNEY WILL BE LONG; BUT WHEN
25 WE LOOK BACK, THE DIFFICULTIES WE HAVE EXPERIENCED

BARRISTERS' REPORTING SERVICE

1 RECENTLY WILL BE SEEN AS INEVITABLE GROWING PAINS WHILE
2 OUR ACHIEVEMENTS WILL BE SEEN AS MAJOR STEPS FORWARD WITH
3 FAR-REACHING HEALTH CONSEQUENCES FOR US ALL.

4 MR. CHAIRMAN, I WOULD ALSO LIKE TO BRIEFLY
5 COMMENT ON SPECTACULAR SCIENTIFIC NEWS THAT APPEARED
6 SEVERAL WEEKS AGO IN TWO PUBLICATIONS THAT SHOW THAT
7 HUMAN ADULT SKIN CELLS CAN BE REPROGRAMMED BY THE
8 ADDITION OF A COCKTAIL OF FOUR GENES TO TAKE ON
9 CHARACTERISTICS OF HUMAN EMBRYONIC STEM CELLS. FOR ALL
10 OF US INTERESTED IN STEM CELLS, THESE PAPERS ARE
11 TANTAMOUNT TO WALKING ON THE MOON FOR THREE REASONS.

12 FIRST, THE SCIENCE SHOWS SPECTACULARLY WELL
13 THAT ADULT HUMAN CELLS HAVE THE ABILITY TO TURN THE CLOCK
14 BACK TO BECOME EMBRYONIC AND TO TURN INTO CELLS IN THE
15 THREE MAJOR GERMINAL LAYERS OF BODY TISSUES. IT'S A TRUE
16 AND REMARKABLE FINDING THAT STEMS FROM DR. YAMANAKA'S
17 WORK WITH MOUSE CELLS DONE A YEAR AGO. ONE PROBLEM IN
18 THESE PAPERS IS THAT CELLS WERE INDUCED INTO PLURIPOTENCY
19 USING VIRUS VECTORS, WHICH WE KNOW FROM GENE THERAPY
20 STUDIES CAN ALTER THE GENOME OF A WHOLE CELL AND CREATE
21 UNEXPECTED EVENTS, INCLUDING CANCER.

22 IN ADDITION, AT LEAST TWO OF THESE GENES USED
23 IN THESE STUDIES HAVE BEEN SHOWN TO BE CANCER CAUSING IN
24 THE ANIMAL STUDIES. THEREFORE, IMPORTANT FUTURE GOALS
25 WILL BE TO DETERMINE HOW TO INDUCE PLURIPOTENCY WITHOUT

BARRISTERS' REPORTING SERVICE

1 VIRAL VECTORS AND ALLOW GENES WITH THE POTENTIAL TO CAUSE
2 CANCER.

3 THE SECOND IMPORTANT FEATURE OF THESE STUDIES
4 IS THAT THEY WERE DONE WITHOUT THE USE OF HUMAN EGGS,
5 WHICH SHOULD MAKE THE GENERATION OF PATIENT-SPECIFIC STEM
6 CELLS MUCH EASIER AND MORE EFFICIENT.

7 FINALLY, THIS FINDING EMPHASIZES THE NEED FOR
8 SCIENTISTS TO CONTINUE THEIR WORK ON HUMAN EMBRYONIC STEM
9 CELLS, WHICH REMAIN THE GOLD STANDARD FOR UNDERSTANDING
10 INNATE PLURIPOTENCY. IN ONE OF THE PAPERS, IT WAS
11 DETERMINED THAT INDUCED PLURIPOTENT CELLS DIFFER FROM
12 HUMAN EMBRYONIC STEM CELLS IN THE ACTIVITY OF ABOUT A
13 THOUSAND GENES. TO UNDERSTAND WHETHER THOSE GENES ARE
14 SIGNIFICANT OR NOT IN PLURIPOTENCY, MUCH MORE WORK WILL
15 NEED TO BE DONE COMPARING THE TWO FORMS OF CELLS.

16 WE ALSO DON'T KNOW WHETHER IN THE END HUMAN
17 EMBRYONIC STEM CELLS WILL TURN OUT TO BE THE CELLS OF
18 CHOICE FOR THERAPIES, WHICH FURTHER DEMANDS THAT WE
19 CONTINUE TO INVESTIGATE THEM. CALIFORNIA IS ONE OF THE
20 FEW PLACES IN THE WORLD WHERE THESE PARALLEL TRACKS OF
21 RESEARCH CAN BE PURSUED WITH ADEQUATE FUNDING.

22 I SHOULD ALSO POINT OUT THAT THE TWO SENIOR
23 AUTHORS ON THESE PAPERS, DRS. YAMANAKA AND THOMPSON, WILL
24 BOTH BE OPENING LABS IN CALIFORNIA TO PURSUE THEIR WORK,
25 DR. YAMANAKA IN SAN FRANCISCO AT THE GLADSTONE INSTITUTE

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1 AND DR. THOMPSON AT THE UNIVERSITY OF CALIFORNIA IN SANTA
2 BARBARA.

3 THEIR SETTING UP THESE LABS SUGGESTS TO ME
4 THEIR EAGERNESS TO BENEFIT FROM THE VIBRANT STEM CELL
5 RESEARCH COMMUNITY THAT WE HAVE CREATED IN CALIFORNIA.

6 MR. CHAIRMAN, LET ME NOW OUTLINE SOME OF THE
7 CHANGES THAT HAVE HAPPENED AT CIRM SINCE OUR OCTOBER ICOC
8 MEETING. FIRST OF ALL, WE HAVE HAD A NUMBER OF CHANGES
9 IN PERSONNEL. WE HAVE HIRED THREE SCIENTIFIC OFFICERS,
10 TWO OF WHOM ARE HERE, AND I WILL ASK THEM TO STAND.

11 FIRST, WE HAVE HIRED DR. ELIZABETH ASH NIGH. ASHA IS A
12 NEUROSCIENTIST WHO COMES TO US FROM HER TRAINING AT
13 HARVARD MEDICAL SCHOOL.

14 DR. UTA GRIESHAMMER IS A DEVELOPMENTAL
15 BIOLOGIST INTERESTED IN HOW ORGANS FORM IN EMBRYOS, WHO
16 COMES TO US MOST RECENTLY FROM UCSF. IN FACT, SHE WAS
17 THE ONE RESPONSIBLE FOR THE NEW CELL LINES RFA.

18 WE ALSO, MR. CHAIRMAN, ARE PLEASED TO HAVE WITH
19 US THE OTHER SCIENTIFIC MEMBERS OF CIRM. THEY INCLUDE
20 DR. KUMAR HARI, DR. BETTINA STEFFEN, DR. PATRICIA OLSON,
21 WHO IS OUR INTERIM DIRECTOR OF SCIENTIFIC ACTIVITIES, AND
22 MS. AMY LEWIS, WHO IS THE DIRECTOR OF GRANTS ACTIVITIES.

23 AS YOU KNOW, MR. CHAIRMAN, THESE INDIVIDUALS
24 LIE AT THE HEART OF THE SCIENTIFIC ACTIVITIES OF CIRM FOR
25 THEY PREPARE THE SCIENTIFIC CONCEPT PAPERS AND THE RFA'S.

BARRISTERS' REPORTING SERVICE

1 THEY ARRANGE AND STAFF THE MEETINGS OF THE GRANTS WORKING
2 GROUP, AND THEY PREPARE THE SUMMARIES OF THE GRANTS
3 REVIEWS FOR THE APPLICANTS, AND TO GUIDE THE FUNDING
4 DECISIONS OF THE ICOC.

5 MR. CHAIRMAN, I ASK THE ICOC TO JOIN ME IN
6 THANKING THIS OUTSTANDING GROUP OF PEOPLE FOR THEIR
7 EFFORTS.

8 (APPLAUSE.)

9 DR. MURPHY: AND I APOLOGIZE. I MISSED DR. GIL
10 SAMBRANO, WHO IS RESPONSIBLE FOR THE GRANTS WORKING
11 GROUP.

12 WE HAVE ALSO HIRED DR. MIKE YAFFE, WHO IS
13 CURRENTLY A FULL PROFESSOR AT UCSD, WHO IS INTERESTED IN
14 THE BIOLOGY AND GENETICS OF MITOCHONDRIA. AND FINALLY,
15 WE HAVE HIRED ELLEN ROSE AS OUR INTERIM CHIEF OF
16 COMMUNICATIONS. ELLEN HAS A LONG HISTORY IN WORKING IN
17 BIOTECH IN THE BAY AREA, AND SHE WILL BE WORKING WITH US
18 HALF-TIME UNTIL WE HIRE A FULL-TIME HEAD OF THIS
19 IMPORTANT OFFICE.

20 WE HAVE ALSO LOST SOME PEOPLE. LORI HOFFMAN,
21 OUR CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER, INTENDS
22 TO RESIGN IN JANUARY 2008 TO MAKE WAY FOR OUR NEW CHIEF
23 OPERATING OFFICER, WHO I WILL SPEAK ABOUT IN A MOMENT.
24 ON BEHALF OF CIRM, I WOULD LIKE THANK LORI FOR HER
25 SERVICES TO CIRM AND WISH HER WELL IN HER FUTURE

BARRISTERS' REPORTING SERVICE

1 ENDEAVORS.

2 (APPLAUSE.)

3 DR. MURPHY: ALSO, ROSEMARY CHENGSON, WHO IS
4 OUR FINANCIAL OFFICER, WILL BE STEPPING DOWN. DENNIS
5 BUTLER, OUR TECHNOLOGY OFFICER, HAS MOVED TO THE PRIVATE
6 SECTOR. AND MARIO GARCIA, A GRANTS MANAGEMENT
7 SPECIALIST, IS ACTUALLY ON HIS WAY TO UGANDA TO WORK IN
8 MICROLOAN PROGRAMS. WE WISH ALL OF THESE PEOPLE GOOD
9 FORTUNE AS THEY MOVE FORWARD IN THEIR CAREERS. THANK
10 YOU.

11 WE ALSO HAVE OPEN POSITIONS AT THE INSTITUTE.
12 WORKING CLOSELY WITH DR. TROUNSON, WE HAVE BEGUN TO
13 REDESIGN THE ORGANIZATIONAL CHART OF THE INSTITUTE,
14 COPIES OF WHICH YOU HAVE IN TAB 19 IN FRONT OF YOU, AND
15 WE'LL BE TALKING ABOUT THIS LATER. AS PART OF THIS
16 REORGANIZATION, WHICH IS REALLY A GENERAL OUTLINE WHICH
17 WE EXPECT DR. TROUNSON TO CHANGE AS NEEDED IN THE FUTURE,
18 WE WILL BE HIRING TWO NEW SENIOR PEOPLE. AND DR.
19 TROUNSON INTENDS TO HAVE THE INSTITUTE RUN BY THREE
20 SENIOR PEOPLE, HIMSELF AS PRESIDENT, A CHIEF SCIENTIFIC
21 OFFICER, AND A CHIEF OPERATING OFFICER.

22 THE CHIEF SCIENTIFIC OFFICER WILL BE
23 RESPONSIBLE FOR ALL SCIENTIFIC ACTIVITIES OF THE
24 INSTITUTE, AND THE COO WILL BE RESPONSIBLE FOR ALL
25 ADMINISTRATIVE ISSUES, ALSO, THOUGH, DEALING WITH OUR

BARRISTERS' REPORTING SERVICE

1 GRANTS PROGRAM.

2 TODAY, MR. CHAIRMAN, IN EXECUTIVE SESSION WE
3 WILL BE RECOMMENDING THE APPOINTMENT OF A NEW CHIEF
4 SCIENTIFIC OFFICER FOR THE INSTITUTE AND A NEW CHIEF
5 COMMUNICATIONS OFFICER. WE HAVE ADVERTISED
6 INTERNATIONALLY FOR ALL OF THESE POSITIONS, AND WE LOOK
7 FORWARD OVER THE NEXT SEVERAL MONTHS OF IDENTIFYING A NEW
8 CHIEF OPERATING OFFICER.

9 WE HAVE ALSO ISSUED TWO RFA'S FOR TWO NEW
10 PROGRAMS WHICH YOU HAVE ALREADY APPROVED. AN RFA WAS
11 ISSUED FOR THE DISEASE TEAM PLANNING AWARDS THAT WILL
12 BRING TOGETHER INTERDISCIPLINARY TEAMS OF RESEARCHERS TO
13 KICK-START PROMISING STRATEGIES THAT WILL EXPLOIT STEM
14 CELL TECHNOLOGY FOR UNDERSTANDING AND TREATING DISEASES.
15 IN ADDITION, WE HAVE ISSUED AN RFA THAT WILL FUND THE
16 DERIVATION AND PROPAGATION OF NEW PLURIPOTENT CELL LINES
17 FROM EMBRYONIC AND ADULT SOURCES. IT WILL ALSO SUPPORT
18 THE OPTIMIZATION OF NEW METHODS TO GENERATE PLURIPOTENT
19 CELLS.

20 FINALLY, MR. CHAIRMAN, WE WOULD LIKE TO -- I
21 HAVE ENCLOSED IN YOUR PACKAGE, BUT WILL NOT SPEND TIME
22 GOING OVER THEM NOW, ANSWERS TO THE QUERIES THAT THE ICOC
23 RAISED IN OCTOBER IN SAN DIEGO. AND THE QUERIES WERE
24 WILL WE RUN A GRANTS ANNUAL CONFERENCE FOR OUR
25 INVESTIGATORS, AND THE ANSWER IS YES. WE TALK ABOUT RFA

BARRISTERS' REPORTING SERVICE

1 ELIGIBILITY FOR PI'S WHO SPEND LESS THAN A HUNDRED
2 PERCENT OF THEIR TIME IN CALIFORNIA. YES, THAT WILL BE
3 ALLOWED, AT LEAST IN THE ONE RFA FOR NEW STEM CELL LINES.

4 WE WERE QUESTIONED ABOUT WHETHER WE WOULD ALLOW
5 PI'S, MULTIPLE PI'S PER GRANT. OUR POSITION NOW IS WE
6 WILL NOT. THE FOR-PROFIT ELIGIBILITY FOR GRANTS WE WILL
7 TALK ABOUT LATER TODAY. IN YOUR HANDOUT WE HAVE OUTLINED
8 A NEW MECHANISM FOR DEALING WITH UNSOLICITED PROPOSALS
9 THAT COME TO THE CIRM.

10 AND, FINALLY, I WOULD LIKE TO JUST TOUCH UPON
11 WHERE WE ARE IN OUR GRANT PROGRAM. MELISSA, WOULD YOU
12 PLEASE PUT THE NEXT SLIDE UP. WHAT WE'RE LOOKING AT HERE
13 ARE CHANGES IN THE BUDGET OF THE INSTITUTE THAT HAVE
14 HAPPENED SINCE YOU APPROVED THE BUDGET OF THE INSTITUTE,
15 WHICH WAS AN INTERIM BUDGET, IN JUNE OF 2004. AND WHILE
16 YOU HAVE A DETAILED COPY OF THIS IN YOUR HANDOUT,
17 BASICALLY THE CHANGES ARE THAT BECAUSE OF PERSONNEL
18 TRANSITIONS, WE HAVE ENCOUNTERED AN ADDED COST OF
19 \$278,000, AND THAT IS BECAUSE WE HAVE HAD TWO PRESIDENTS
20 THIS YEAR, MYSELF AND ALAN TO COME, SO SOME OF THAT IS
21 PROJECTED COSTS. WE HAVE BEEN LOOKING AND SEARCHING FOR
22 THE COO, CSO, AND CCO POSITION, AND WE HAVE A NEW PERSON
23 TO HELP US WITH LEGISLATIVE OVERSIGHT.

24 WE HAVE PUT OUT AN RFA FOR A COMMUNICATIONS
25 COMPANY, WHICH WE WILL NOT HIRE UNTIL WE HAVE THE NEW

BARRISTERS' REPORTING SERVICE

1 COMMUNICATION HEAD IN PLACE. SO THAT \$100,000 IS MONEY
2 NOT SPENT. WE HAVE DONE AN ECONOMIC IMPACT ANALYSIS,
3 WHICH WAS REQUESTED OF US BY THE BUREAU OF STATE AUDITS,
4 AND THERE ARE OTHER BUDGET ADJUSTMENTS THAT COME TO A
5 TOTAL OF ABOUT \$57,000. SO AT THIS TIME WE HAVE EITHER
6 INCURRED OR PLAN TO INCUR EXPENSES OF ABOUT \$486,000, AND
7 THAT DOES NOT ACCOUNT FOR THE SALARIES OF THE NEW CSO AND
8 COO, WHO WE EXPECT TO BE WITH US SOMETIME IN THE SPRING.

9 MR. CHAIRMAN, WITH THAT, I WILL END MY REPORT,
10 AND I'M HAPPY TO ENTERTAIN ANY QUESTIONS.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH, DR.
12 MURPHY. WE COULD HAVE AT THIS POINT JEFF SHEEHY'S
13 COMMENTS.

14 MR. SHEEHY: THANK YOU, DR. MURPHY. I THINK
15 YOU'RE DOING A TREMENDOUS JOB. AND YOUR INITIAL
16 STATEMENTS ABOUT OUR RECENT DIFFICULTIES, I HOPE WE
17 WOULDN'T CHARACTERIZE THEM EITHER, WE WOULD NEITHER
18 MINIMIZE THEM, NOR PERHAPS EXAGGERATE. BUT, YOU KNOW, WE
19 HAVE HAD THREE NEWSPAPERS' EDITORIAL BOARDS TAKE A RATHER
20 STRONG VIEW OF THESE THINGS, *THE L. A. TIMES*, *THE*
21 *SACRAMENTO BEE*, AND *THE SAN FRANCISCO CHRONICLE*. SO I DO
22 THINK THAT THESE ARE REALLY SERIOUS MATTERS, AND WE DO
23 HAVE A GROUP OF YOUNG SCIENTISTS WHO WERE VERY HOPEFUL
24 WHOSE HOPES HAVE BEEN DASHED.

25 AND WE DO HAVE A STATE INVESTIGATION BEING

BARRISTERS' REPORTING SERVICE

1 UNDERTAKEN. SO I DON'T THINK WE SHOULD TRY TO DOWNPLAY
2 THIS. WE SHOULD ACCEPT IT AND MOVE ONE.

3 I ALSO WOULD HOPE THAT WE COULD HAVE A LITTLE
4 MORE TRANSPARENCY. WE HAVE REVEALED FOUR OF THE NAMES --
5 THE NAMES OF FOUR INSTITUTIONS WHOSE GRANTS WERE THROWN
6 OUT, BUT NOT THE FIFTH, BURNHAM. AND I FIND THAT -- YOU
7 KNOW, I THINK I WOULD BE HAPPIER IF WE HAD MORE
8 TRANSPARENCY ON SOME OF THESE THINGS. I CAN UNDERSTAND
9 THE PUBLIC'S UNHAPPINESS WITH THE LACK OF INFORMATION
10 THAT THEY'RE GETTING FROM US.

11 CHAIRMAN KLEIN: JEFF, I THINK THAT DR. MURPHY
12 HAS PLANNED AS A PART OF THE NEW FACULTY AWARDS
13 DISCUSSION OF THIS ITEM AND, IN FACT, DIRECTLY ADDRESSING
14 THIS. THE INTENT WAS TO DO THIS IN A FORMAL SESSION. SO
15 WE CERTAINLY BELIEVE THAT IT IS A VERY SERIOUS AREA OF
16 FOCUS BECAUSE WE HAVE TO MAKE CERTAIN THAT OUR EXTREMELY
17 HIGH STANDARDS ARE MET CONTINUOUSLY. WE'RE A YOUNG
18 AGENCY. WE ARE LEARNING. WE ARE MAKING, AS MR. BRUNNER
19 SAYS, MISTAKES THAT COME WITH MOBILIZING A NEW STATE
20 AGENCY FROM GROUND ZERO, PARTICULARLY WHILE UNDER THE
21 STRESS OF LITIGATION WITH A DIMINISHED STAFF, BUT WE
22 STRIVE TO BE A HUNDRED PERCENT. THAT HAS TO BE OUR
23 STANDARD, AND WE ARE COMMITTED TO IT.

24 DR. LOVE: I JUST WANTED TO MAKE ONE COMMENT IN
25 RESPONSE. JEFF, I'M SURE YOU'VE SPOKEN WITH RICHARD, AS

BARRISTERS' REPORTING SERVICE

1 I HAVE, AND I JUST WANT TO EMPHASIZE THAT MY IMPRESSION
2 HAS BEEN THAT THIS HAS BEEN TAKEN EXTREMELY SERIOUSLY.
3 THERE'S BEEN NO EFFORT TO MINIMIZE ANYTHING. I
4 UNFORTUNATELY RECOGNIZE THAT THE MEDIA DOESN'T ALWAYS
5 PROPERLY REPRESENT THINGS AS THEY HAPPEN. I THINK THIS
6 IS A SITUATION WHERE, WHILE THERE'S BEEN A FAIR AMOUNT OF
7 MEDIA ATTENTION, WE REALLY NEED TO UNDERSTAND THE FACTS
8 BEFORE WE MAKE ANY CONCLUSIONS ABOUT WHAT REALLY HAPPENED
9 HERE.

10 I DON'T FULLY UNDERSTAND THE FACTS, BUT I
11 REALLY DON'T THINK THAT THERE'S BEEN ANY EFFORT TO HIDE
12 OR MINIMIZE ANYTHING.

13 DR. MURPHY: MR. CHAIRMAN, MAY I RESPOND
14 BECAUSE I THINK MR. SHEEHY'S POINT IS AN IMPORTANT ONE.
15 NONE OF US AT CIRM MINIMIZE THE IMPORTANCE OF THESE
16 ISSUES. IN FACT, STAFF AT CIRM WAS THE ONE WHO UNCOVERED
17 THE ISSUES. WE TAKE IT VERY SERIOUSLY.

18 WHAT I DO WANT TO EMPHASIZE THOUGH, JEFF, IS
19 THIS WAS NOT -- THESE MISTAKES WERE NOT MADE
20 INTENTIONALLY. THEY WERE NOT MADE IN ANY WAY TO
21 UNDERMINE OR END RUN CIRM'S REGULATIONS. THEY WERE
22 INNOCENT, INADVERTENT MISTAKES. THAT DOESN'T MEAN WE
23 DON'T DEAL WITH THEM. IN FACT, WE NEED TO DEAL WITH
24 THEM, AND WE NEED TO DEAL WITH THEM IN A WAY THAT WILL
25 PREVENT THESE MISTAKES IN THE FUTURE.

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1 CHAIRMAN KLEIN: YES, I THINK WE HAVE SHERRY
2 LANSING AND THEN DR. PENHOET.

3 MS. LANSING: I'LL JUST TALK LOUD. I WANT TO
4 SAY THAT I THINK THAT WE ARE TAKING IT VERY SERIOUSLY. I
5 RESPECT WHAT JEFF IS SAYING. BUT TO ME, AS UNFORTUNATE
6 AS THESE MISTAKES WERE, AND THEY ARE VERY UNFORTUNATE,
7 AND I DO NOT THINK THAT THEY WERE INTENTIONAL, BUT AS
8 UNFORTUNATE AS THEY WERE COMING UNINTENTIONALLY, WHAT
9 IT'S SHOWN TO ME IS THAT OUR SYSTEM IS WORKING BECAUSE WE
10 UNCOVERED THEM AND WENT PUBLIC WITH THEM. I THINK THAT'S
11 VERY IMPORTANT TO ACKNOWLEDGE. I THINK YOU HAVE SAID
12 THAT, AND I JUST WANT TO REEMPHASIZE THAT, THAT WE'RE THE
13 ONES THAT SAW THEM. WE'RE THE ONES THAT WENT PUBLIC WITH
14 THIS, AND WE ARE THE ONES THAT ARE CORRECTING IT. AND SO
15 TO ME THE PROPER CHECKS AND BALANCES ARE IN PLACE.

16 DR. PENHOET: IF I COULD, I'D LIKE TO POINT OUT
17 THAT WE HAVE NOT PROVIDED ANY INFORMATION TO THE PRESS
18 ABOUT THE INVOLVED INSTITUTIONS. IT WAS MADE BY SOMEONE,
19 QUOTE, UNQUOTE, A KNOWLEDGEABLE INSIDER, TO THE PRESS,
20 NOT AN OFFICIAL ANNOUNCEMENT BY THE ICOC OR THE CIRM. WE
21 EXPECT TO HAVE A FULL DISCUSSION OF THOSE ISSUES,
22 INCLUDING THE NAMES OF THE INSTITUTIONS INVOLVED AT THIS
23 MEETING TODAY, WHICH IS THE APPROPRIATE TIME, IN MY VIEW,
24 TO HAVE THAT DISCUSSION WHILE WE'RE DISCUSSING THESE
25 GRANTS. SO THERE WAS NO -- THERE WAS NO RELEASE BY CIRM

BARRISTERS' REPORTING SERVICE

1 OR ICOC. IT WAS A, QUOTE, UNQUOTE, LEAK OF INFORMATION
2 BY A, QUOTE, UNQUOTE, KNOWLEDGEABLE SOURCE THAT GOT THOSE
3 NAMES IN THE PAPER, IN MY VIEW, PREMATURELY. BUT WE WILL
4 DEAL WITH THE ISSUE IN PUBLIC TODAY IN THE RIGHT FORUM,
5 WHICH IS THIS MEETING AS PART OF OUR DISCUSSION OF THAT
6 WHOLE SERIES OF GRANTS.

7 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND I
8 WOULD LIKE TO SAY THAT WHAT WE HAVE ALREADY ANNOUNCED
9 COMING FROM AN EXECUTIVE COMMITTEE DISCUSSION WAS THREE
10 IMMEDIATE ACTIONS BECAUSE WE HAVE TO LEARN AND RESPOND IN
11 REAL TIME TO TRY AND MAKE SURE WE AVOID THESE
12 PROACTIVELY, MAKING CERTAIN THAT WE'RE NOT DEALING WITH
13 REMEDIAL ACTIONS TO UNCOVER AND CORRECT.

14 AND THOSE THREE ACTIONS THAT HAVE BEEN
15 ANNOUNCED IS, ONE, HAVING A TWO-LEVEL REVIEW, INCLUDING
16 TWO-LEVEL LEGAL REVIEW, BEFORE ANY RFA'S ARE RELEASED TO
17 MAKE CERTAIN THAT WE HAVE TWO SETS OF EYES AS A FILTER TO
18 BE SURE THAT IN OUR OWN RFA'S WE DON'T CONTRIBUTE TO
19 CONFUSION AND WE PROVIDE ABSOLUTE CLARITY ON OUR
20 REQUIREMENTS AND EXPECTATIONS.

21 SECONDLY, WITH EVERY RFA ROUND, IF THERE'S ANY
22 SPECIAL CHARACTERISTICS OF THAT, THERE WILL BE A SPECIFIC
23 DIRECTION TO BOARD MEMBERS AND STAFF ALERTING THEM,
24 RAISING THE ANTENNA TO MAKE CERTAIN THAT WE KNOW WHERE
25 SENSITIVE POINTS MAY BE TO HAVE FULL PERFORMANCE UNDER

BARRISTERS' REPORTING SERVICE

1 OUR -- AND WITH THE BENEFIT OF EXPERT LEGAL GUIDANCE.

2 AND AS A THIRD ITEM, SETTING UP AND MAKING SURE
3 WE HAVE FULL ACCESS IDENTIFIED FOR THE BOARD MEMBERS AND
4 THE STAFF AS WELL AS OUTSIDE PARTICIPANTS TO OUR LEGAL
5 COUNSEL SO THAT IF THERE ARE QUESTIONS, THEY CAN BE
6 DEFINED IN A DEFINITIVE MANNER AND A CONSISTENT MANNER
7 WITH EACH RFA TO ELIMINATE CONFUSION, WHICH QUITE
8 UNDERSTANDABLY CAN ARISE AS WE WILL DISCUSS LATER IN
9 LOOKING AT THIS PARTICULAR FACT PATTERN.

10 BUT, AGAIN, WE ARE MOVING FORWARD AT THIS POINT
11 INTO THE FIRST ITEM, WHICH DOES ADDRESS THIS ISSUE, WHICH
12 IS ON THE AGENDA ITEM NO. 9, I BELIEVE, CONSIDERATION OF
13 THE APPLICATIONS FOR NEW FACULTY AWARDS.

14 AND WE WOULD LIKE TO -- IN ADDRESSING THIS
15 ITEM, WE HAVE A COMMUNICATION FROM THE OFFICE OF THE
16 PRESIDENT, UNIVERSITY OF CALIFORNIA SYSTEM THAT IF IT
17 COULD BE DISTRIBUTED, THAT WOULD BE GREAT. SUE NORTH,
18 WHO IS INTERIM GOVERNMENTAL AFFAIRS, ADDITION TO OUR
19 STAFF, IS DISTRIBUTING THESE MATERIALS TO THE BOARD, AND
20 THERE SHOULD BE COPIES AS WELL FOR THE PUBLIC.

21 I'D LIKE TO GIVE THE BOARD MEMBERS A COUPLE
22 MINUTES TO READ THIS COMMUNICATION.

23 MR. SIMPSON: ARE THERE COPIES AVAILABLE FOR
24 THE PUBLIC?

25 CHAIRMAN KLEIN: WE'VE JUST MADE COPIES. IT

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1 WAS RECEIVED LATE LAST NIGHT.

2 DR. SIMPSON: THANK YOU, MR. CHAIRMAN.

3 CHAIRMAN KLEIN: TO PROCEED ON THIS ITEM, I
4 WOULD LIKE TO OPEN BY ADDRESSING THE BASIC FACT PATTERN
5 HERE IN TERMS OF THE GENERAL CONSIDERATION OF THIS GRANT
6 ROUND. THE BASIC QUESTION WITH THIS GRANT ROUND IS
7 SHOULD WE CONSIDER THOSE APPLICATIONS THAT HAVE BEEN
8 PROCESSED AND QUALIFIED, OR SHOULD WE, IN FACT, DEFER
9 THIS ROUND. WE HAVE THE OPPORTUNITY AS WELL AT THE END
10 OF THE GRANT ROUND AFTER ANALYSIS OF THE DISTRIBUTION OF
11 GRANTS TO DECIDE TO BRING BACK TO THE JANUARY BOARD
12 MEETING A SUPPLEMENTAL GRANT ROUND THAT WILL ADDRESS THE
13 OPPORTUNITY FOR THOSE CANDIDATES WHO COULD NOT, IN FACT,
14 BE PRESENTED TODAY BECAUSE OF THE ISSUES THAT AROSE AS
15 WELL AS ADDITIONAL MEMBERS.

16 WE CAN, IN LOOKING AT WHAT HAS TURNED OUT TO BE
17 AN EXTREMELY STRONG AND POPULAR PROGRAM, IN JANUARY
18 ADDRESS, IN FACT, PUTTING ADDITIONAL FUNDS INTO THE
19 SYSTEM. AND IF WE FEEL, AFTER LOOKING AT IT, THAT OUR
20 GOAL OF HAVING A STATEWIDE INFRASTRUCTURE OF YOUNG
21 FACULTY HASN'T BEEN FULLY ACHIEVED, WE CAN MAKE CERTAIN
22 THAT OUR ORIGINAL DESIRE TO DISTRIBUTE THAT CAPACITY CAN
23 BE PRESERVED BY HAVING A PROVISION AND MAINTAIN OUR
24 PROVISION ON A CUMULATIVE BASIS THAT NO INSTITUTION WOULD
25 HAVE MORE THAN FOUR AWARDS. THAT WOULD MAKE CERTAIN THAT

BARRISTERS' REPORTING SERVICE

1 WE GET THE DISTRIBUTION THAT WE WANT THROUGH THE STATE.

2 BUT WHAT WE NEED TO DO IS WITH CARE PROCEED

3 HERE TO UNDERSTAND THE ISSUES AND TO ADDRESS THE

4 PHENOMENAL OPPORTUNITY WE HAVE FOR A BRILLIANT PROGRAM

5 THAT HAS BEEN PEER REVIEWED AND COMES TO US WITH A NUMBER

6 OF EXTRAORDINARY CANDIDATES AND RECOMMENDATIONS.

7 IN PROCEEDING THROUGH THIS, JAMES HARRISON,

8 WOULD YOU LIKE TO SET FORWARD THE FACTS THAT THE STAFF

9 THROUGH OUR FAIL-SAFE SYSTEMS, OUR CHECKS AND BALANCES,

10 HAVE DISCOVERED IN THE PROCESS AND HOW THAT INFORMATION

11 HAS BEEN EVALUATED BY LEGAL COUNSEL. AND I'LL ASK TAMAR

12 PACTER FOR HER CONCURRENCE IN THAT EVALUATION.

13 MR. HARRISON: THANK YOU. AS MOST OF YOU

14 ALREADY KNOW, DURING A REVIEW OF APPLICATIONS FOR NEW

15 FACULTY AWARDS, CIRM STAFF DISCOVERED THAT TEN

16 APPLICATIONS WERE ACCOMPANIED BY LETTERS OF INSTITUTIONAL

17 SUPPORT SIGNED BY MEMBERS OF THE ICOC. THE AFFECTED

18 INSTITUTIONS ARE UCSF, UCLA, UCSD, USC, AND BURNHAM. RFA

19 0702, THE REQUEST FOR APPLICATIONS FOR NEW FACULTY

20 AWARDS, REQUIRED A LETTER OF SUPPORT SIGNED BY THE DEAN

21 OR DEPARTMENTAL CHAIR TO DOCUMENT THE INSTITUTIONAL

22 SUPPORT AND COMMITMENT THAT WOULD BE PROVIDED TO THE

23 APPLICANTS.

24 (DR. WRIGHT ARRIVES.)

25 MR. HARRISON: IN ADDITION, IT'S IMPORTANT TO

BARRISTERS' REPORTING SERVICE

1 NOTE THAT THE ICOC'S CONFLICT OF INTEREST POLICY INCLUDES
2 A FOOTNOTE WHICH PROVIDES THAT SENIOR ACADEMIC OFFICERS
3 WHO, AS PART OF THEIR RESPONSIBILITIES, OVERSEE AND
4 ADVISE RESEARCHERS IN THEIR INSTITUTIONS OR WHO SIGN OFF
5 ON GRANTS, LOANS, OR CONTRACTS SHALL NOT BE DEEMED TO
6 HAVE A CONFLICT OF INTEREST UNDER THIS PROVISION.
7 RECUSAL, HOWEVER, IS REQUIRED IN THIS SITUATION UNDER
8 PROPOSITION 71 IN POINTS 2, 3, 4, AND 5.

9 AS A RESULT OF THE DIRECTION IN THE RFA, THAT
10 EITHER THE DEAN OR THE DEPARTMENTAL CHAIR SIGN, AND THE
11 LANGUAGE IN THE ICOC CONFLICT OF INTEREST POLICY
12 REGARDING SIGNING OFF ON GRANTS, LOANS, OR CONTRACTS,
13 SOME MEMBERS OF THE ICOC UNDERSTOOD THAT THE RFA DIRECTED
14 THAT THEY SIGN THE LETTER OF INSTITUTIONAL SUPPORT AND
15 THAT THE CONFLICT OF INTEREST POLICY AUTHORIZED THEM TO
16 DO SO.

17 ANOTHER PROVISION OF STATE LAW, HOWEVER,
18 PROHIBITS MEMBERS OF THE ICOC FROM USING THEIR OFFICIAL
19 POSITION IN AN ATTEMPT TO INFLUENCE A DECISION REGARDING
20 A GRANT TO THEIR EMPLOYER. IN THIS CASE, OF COURSE, THE
21 BOARD MEMBERS WERE ACTING IN THEIR CAPACITY AS DEANS OR
22 EXECUTIVE OFFICERS OF THEIR INSTITUTIONS, NOT ICOC
23 MEMBERS. AND THERE'S STRONG SUPPORT IN BOTH THE CASE LAW
24 AND IN ATTORNEY GENERAL OPINIONS FOR THE PROPOSITION THAT
25 THEIR CONDUCT WAS PERMISSIBLE BECAUSE THEY WERE ACTING IN

BARRISTERS' REPORTING SERVICE

1 THEIR PRIVATE CAPACITY, NOT IN THEIR OFFICIAL CAPACITY.

2 BECAUSE OTHER CASE LAW AND OPINIONS HAVE
3 BROADLY CONSTRUED THIS STATUTORY PROVISION, HOWEVER, AND
4 BECAUSE AN ADVERSE DECISION WOULD VOID THESE SPECIFIC
5 GRANTS, THE CIRM EXECUTIVE COMMITTEE DECIDED OUT OF
6 CAUTION TO REFRAIN FROM CONSIDERING THE APPLICATIONS THAT
7 WERE ACCOMPANIED BY A LETTER OF SUPPORT SIGNED BY A
8 MEMBER OF THE BOARD.

9 AS CHAIRMAN KLEIN NOTED, THE EXECUTIVE
10 COMMITTEE HAS ALSO TAKEN ACTIONS TO ENSURE THAT THIS
11 PROBLEM WILL NOT ARISE IN THE FUTURE AND INTENDS TO
12 PRESENT TO THE BOARD FOR ITS CONSIDERATION AMENDMENTS TO
13 THE CONFLICT OF INTEREST POLICY AT THE BOARD'S NEXT
14 MEETING TO CLARIFY THE SCOPE OF THE CONFLICT OF INTEREST
15 POLICY. THE ULTIMATE GOAL OF THESE CHANGES IS TO PRODUCE
16 AS CLEAR AND EASILY UNDERSTOOD STANDARD FOR CONFLICTS AS
17 IS POSSIBLE.

18 CHAIRMAN KLEIN: THANK YOU VERY MUCH. DR.
19 MURPHY, WOULD YOU LIKE TO MAKE ANY STATEMENT AT THIS
20 POINT OR LATER IN THIS DISCUSSION ADDRESSING THIS ISSUE?

21 DR. MURPHY: I'LL WAIT, MR. CHAIRMAN.

22 CHAIRMAN KLEIN: OKAY. TAMAR, DO YOU CONCUR IN
23 THIS ANALYSIS?

24 MS. PACHTER: YES, I DO.

25 CHAIRMAN KLEIN: THANK YOU. IT IS IMPORTANT TO

BARRISTERS' REPORTING SERVICE

1 NOTE THAT OUR COUNSEL HAS LOOKED AT THIS IN GREAT DETAIL,
2 AS THEY INDICATE, LOOKING AT GUIDANCE FROM ATTORNEY
3 GENERAL'S OPINION, LOOKING AT FPPC GUIDANCE, LOOKING AT
4 ALL OF THE INFORMATION AVAILABLE. IT IS AN INHERENT
5 LIMITATION THAT AS A YOUNG AGENCY THERE ISN'T A BODY OF
6 INTERPRETATION THAT'S PRESENT. AND ONE OF THE BASIC
7 ISSUES HERE WAS CONSERVATISM TO MAKE CERTAIN THAT WE
8 PROTECT THE MISSION, PROTECT THE OFFICERS, AND PROTECT
9 THE CANDIDATES.

10 THE ISSUE OF HAVING GRANTS GOING FORWARD THAT
11 COULD BE POTENTIALLY VOIDED OR HELD UP FOR A SUBSTANTIAL
12 LENGTH OF TIME IN LITIGATION, BEING DESTRUCTIVE OF THE
13 INTENT OF THE GRANTS, BEING DESTRUCTIVE OF THE ABILITY OF
14 THE CANDIDATES TO BE ABLE TO PERFORM, AND LOOKING AT THE
15 ALTERNATIVE THAT WE CAN HAVE AN ADDITIONAL GRANT ROUND
16 THAT COULD BE BROUGHT BACK TO THIS BOARD IN APPROXIMATELY
17 SIX MONTHS AS A CLEAN, CLEAR, CONSERVATIVE OPTION IF WE
18 DO NOT HAVE ADEQUATE REPRESENTATION AND HAVEN'T BUILT THE
19 FULL STATEWIDE INFRASTRUCTURE AFTER WE HAVE GONE THROUGH
20 THOSE GRANTS THAT WE CAN CONSIDER TODAY WERE IMPORTANT
21 CONSIDERATIONS.

22 I'D LIKE TO POINT OUT THAT YOU HAVE A CONFUSION
23 HERE THAT REVOLVES AROUND A FOOTNOTE THAT'S BEEN
24 REFERENCED THAT WAS DEBATED AND DERIVED IN A PUBLIC
25 HEARING ON APRIL 25, 2005. THIS IS AN OPENLY DERIVED

BARRISTERS' REPORTING SERVICE

1 PUBLIC HEARING WHERE THIS OCCURRED. THERE WAS A LOT OF
2 DEBATE ABOUT THE MEANING OF THIS FOOTNOTE WHEN IT
3 OCCURRED. AND TWO YEARS LATER WELL-INTENTIONED PEOPLE
4 LOOKING AT THE SAME FOOTNOTE CAME TO DIFFERENT
5 CONCLUSIONS. WHEN YOU HAVE FIVE DIFFERENT PEOPLE
6 COMPLETELY UNCOORDINATED WHO ARE ADVISED BY THEIR STAFFS
7 AND WHO INDIVIDUALLY REACHED THE CONCLUSION THAT IT MEANS
8 THE SAME THING, THERE IS A REAL STRONG BASIS FOR
9 BELIEVING THAT INNOCENTLY THEY HAVE ARRIVED AT A
10 CONCLUSION THAT IS CERTAINLY VALID AND REASONABLE TO FIVE
11 EMINENT INDIVIDUALS.

12 SO CLEARLY, AS DR. MURPHY REFERENCED IN HIS
13 OPENING STATEMENT, I BELIEVE AND THE EXECUTIVE COMMITTEE
14 CONCLUDED THAT THESE APPEAR TO BE HIGHLY INNOCENT AND
15 INADVERTENT MISTAKES OF EXTRAORDINARILY DEDICATED PEOPLE
16 AND THAT, IN FACT, THE RFA CREATES THE PRESUMPTION THAT
17 WE HAVE LOOKED AT THIS ISSUE AND RESOLVED THAT THESE
18 DEANS COULD WRITE INSTITUTIONAL COMMITMENT LETTERS, WHICH
19 IS SOMETHING THEY DO EVERY DAY IN THE GRANT PROCESS,
20 SOMETHING THAT THEY'RE USED TO DOING AND CONDITIONED TO
21 EXPECT IN THEIR ROLE AS DEAN, NOT AS MEMBERS OF THIS
22 BOARD.

23 SO IT IS IN THAT CONTEXT THAT WE LOOK AT THIS
24 ISSUE. THE UNIVERSITY OF CALIFORNIA PRESIDENT'S OFFICE
25 HAS ASKED FOR THE OPPORTUNITY TO ADDRESS THIS ISSUE

BARRISTERS' REPORTING SERVICE

1 BECAUSE THEY'VE CONCLUDED THAT, IN FACT, THERE WAS NOT A
2 CONFLICT OF INTEREST FROM THEIR OWN INDEPENDENT ANALYSIS.
3 SO I WOULD LIKE LAWRENCE COLEMAN, WHO'S VICE PROVOST FOR
4 RESEARCH, TO PLEASE PRESENT THE LETTER OF COMMUNICATION
5 THAT WYATT HUME HAS SIGNED TO THIS BOARD AND EXPLAIN
6 THEIR POSITION.

7 MR. COLEMAN: GOOD MORNING. AND THANK YOU FOR
8 THIS OPPORTUNITY. AS YOU HAVE IN FRONT OF YOU A LETTER
9 FROM OUR PROVOST, RORY HUME, TO CHAIR KLEIN AND INTERIM
10 PRESIDENT MURPHY, I JUST WANT TO SORT OF GO OVER THAT SO
11 THAT WE SORT OF GET IT ON OFFICIALLY TO THE RECORD.

12 THE UNIVERSITY OF CALIFORNIA SHARES THE
13 COMMITMENT OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE
14 MEDICINE TO OPERATE ACCORDING TO THE HIGHEST STANDARDS OF
15 INTEGRITY. AND WE APPRECIATE THE NEED TO AVOID EVEN THE
16 APPEARANCE OF CONFLICTS OF INTEREST THAT WOULD UNDERMINE
17 THE INTEGRITY OF THE REVIEW AND FUNDING PROCESSES AT
18 CIRM. WHILE WE BELIEVE THAT NO APPLICABLE CONFLICT OF
19 INTEREST LAWS OR REGULATIONS WERE VIOLATED BY THE ACTIONS
20 OF THOSE ICOC MEMBERS WHO SUBMITTED LETTERS OF SUPPORT IN
21 ACCORDANCE WITH THE INSTRUCTIONS IN THE RFA, WE
22 UNDERSTAND THE DESIRE TO ERR ON THE SIDE OF CAUTION. WE
23 DO, HOWEVER, URGE CIRM AND THE ICOC TO DO EVERYTHING IN
24 ITS POWER TO AVOID DISADVANTAGING THE PROMISING YOUNG
25 FACULTY MEMBERS WHO HAVE BEEN DISQUALIFIED OR MAY BE

BARRISTERS' REPORTING SERVICE

1 DISQUALIFIED FROM THE CURRENT COMPETITION THROUGH NO
2 FAULT OF THEIR OWN.

3 OUR STRONG RECOMMENDATION IS THAT CIRM BRIEFLY
4 DELAY AWARDING THE LATEST ROUNDS OF GRANTS TO ALLOW AN
5 OPPORTUNITY FOR ALL APPLICANTS TO BE RESUBMITTED,
6 ADMITTING ANY OF THESE LETTERS, AND CONSIDERED ON EQUAL
7 FOOTING. THIS IS, WE BELIEVE, THE BEST WAY TO AVOID
8 DISADVANTAGING THE CURRENTLY DISQUALIFIED APPLICANTS.

9 WE UNDERSTAND THAT CIRM IS CONSIDERING INSTEAD
10 ANNOUNCING AWARDS AT TODAY'S MEETING AND ISSUING A NEW
11 REQUEST FOR PROPOSALS AT SOME POINT IN THE NEAR FUTURE
12 THAT WOULD ALLOW THE QUALIFIED INDIVIDUALS AN OPPORTUNITY
13 TO REAPPLY. WHILE WE APPRECIATE CIRM'S INTENT TO PROVIDE
14 A NEW FUNDING OPPORTUNITY, WE REMAIN CONCERNED THAT
15 FACULTY MEMBERS OF THE AFFECTED INSTITUTIONS WOULD BE
16 DISADVANTAGED BY SUCH AN APPROACH. THIS IS PARTICULARLY
17 TRUE IF THE NEW RFP ALLOWS EVEN THOSE INSTITUTIONS THAT
18 SUBMITTED THE MAXIMUM NUMBER OF AWARDS PERMITTED UNDER
19 THE PREVIOUS COMPETITION OR THE CURRENT COMPETITION TO
20 NOMINATE ADDITIONAL CANDIDATES. SINCE CIRM'S INTENTION
21 WAS TO ALLOW EACH ELIGIBLE INSTITUTION TO PUT FORWARD A
22 FIXED NUMBER OF CANDIDATES, WE WOULD HOPE TO SEE A
23 MECHANISM THAT AVOIDS CIRCUMVENTING THAT ORIGINAL INTENT.
24 WE WOULD BE VERY CONCERNED ABOUT ANY APPROACH
25 THAT RESTRICTS THE OPPORTUNITY OF THE AFFECTED

BARRISTERS' REPORTING SERVICE

1 INSTITUTIONS TO PUT FORTH THE SAME TOTAL NUMBER OF
2 CANDIDATES FOR NEW FACULTY AWARDS THAT OTHER INSTITUTIONS
3 ARE PERMITTED TO SUBMIT.

4 AGAIN, WHILE WE APPRECIATE THE NEED TO AVOID
5 APPARENT CONFLICTS AND TO MAINTAIN THE PUBLIC TRUST, WE
6 WANT TO STRESS THAT THOSE MEMBERS OF THE ICOC WHO SIGNED
7 LETTERS OF SUPPORT AS REQUESTED BY CIRM DID NOT SIGN SUCH
8 LETTERS AS PRIVATE INDIVIDUALS, NOR WERE THEY ACTING AS
9 MEMBERS OF THE ICOC. INSTEAD, THE LETTERS OF SUPPORT
10 THAT THEY SIGNED ON BEHALF OF THEIR ACADEMIC INSTITUTIONS
11 EXPRESSED THE FORMAL SUPPORT OF THOSE INSTITUTIONS FOR
12 THE FINE YOUNG SCIENTISTS AND PHYSICIANS NOMINATED FOR
13 THESE IMPORTANT AWARDS.

14 THESE LETTERS, AS REQUIRED BY CIRM, ALSO STATED
15 THE FACTS ABOUT THE NATURE OF THE APPOINTMENTS HELD BY
16 THE APPLICANTS AT EACH INSTITUTION. AS YOU KNOW, ALL
17 ICOC MEMBERS RECUSE THEMSELVES FROM ANY ACTION THAT
18 INVOLVES DECISION-MAKING ABOUT APPLICATIONS FROM FACULTY
19 AT THEIR HOME INSTITUTIONS AS REQUIRED BY LAW. IT IS OUR
20 BELIEF THAT THE PRESENT SITUATION HAS HIGHLIGHTED THE
21 NEED FOR CIRM TO CLARIFY ITS POLICIES AND PROCESSES
22 RELATED TO RECUSAL AND CONFLICT OF INTEREST AND TO
23 HARMONIZE THOSE POLICIES WITH THE INSTRUCTIONS IT
24 PROVIDES TO APPLICANTS.

25 WE TRUST THAT CIRM IS COMMITTED TO IMPROVING

BARRISTERS' REPORTING SERVICE

1 AND STRENGTHENING ITS PROCESSES, BUT IN THE MEANTIME OUR
2 REQUEST IS THAT CIRM ACT IMMEDIATELY TO MAKE SURE THAT
3 ALL APPLICATIONS IN THE CURRENT COMPETITION ARE
4 CONSIDERED ON THEIR MERITS AND ON EQUAL FOOTING WITH EACH
5 OTHER. WE WOULD LIKE TO SEE A SOLUTION THAT AVOIDS
6 PENALIZING SOME OF CALIFORNIA'S MOST OUTSTANDING EARLY
7 CAREER SCIENTISTS FOR CIRCUMSTANCES BEYOND THEIR CONTROL.

8 THE UNIVERSITY OF CALIFORNIA APPRECIATES THE
9 ENORMOUS WORK CIRM IS DOING TO ADVANCE STEM CELL RESEARCH
10 IN CALIFORNIA, AND WE ARE GRATEFUL FOR THE SUPPORT
11 RECEIVED BY OUR RESEARCHERS. WE RESPECTFULLY REQUEST
12 THAT YOU ADDRESS THE CURRENT SITUATION WITH THE URGENCY
13 IT DESERVES. AND THESE ARE THE COMMENTS OF OUR PROVOST,
14 RORY HUME. THANK YOU.

15 CHAIRMAN KLEIN: ON THIS ITEM AT THIS POINT, I
16 WOULD LIKE TO HAVE A REPORT FROM THE PRESIDENT ON HOW
17 MANY APPLICATIONS DO WE HAVE THAT WE HAVE THE ABILITY TO
18 PROCEED ON THE RECOMMENDATIONS?

19 DR. MURPHY: MR. CHAIRMAN, 48 APPLICATIONS ARE
20 ACTIONABLE TODAY.

21 CHAIRMAN KLEIN: ALL RIGHT. SO THE OPTIONS
22 BEFORE THIS ORGANIZATION ARE TO PROCEED ON 48
23 APPLICATIONS WHICH WE CAN PROCEED ON THAT ADDRESS OUR
24 MISSION, OR THE OPTION WOULD BE TO DEFER THE ENTIRE
25 ROUND. IN TERMS OF THE ISSUES RAISED BY THE UNIVERSITY

BARRISTERS' REPORTING SERVICE

1 OF CALIFORNIA, ALL VERY LEGITIMATE ISSUES --

2 MS. LANSING: HOW MANY HAD TO BE EXCLUDED?

3 CHAIRMAN KLEIN: THERE HAD TO BE EXCLUDED A
4 TOTAL OF TEN APPLICATIONS.

5 WE HAVE THE OPPORTUNITY IF, AFTER WE GO THROUGH
6 THE AWARDS THAT ARE MADE TODAY, TO HAVE AN INTENT OF THE
7 BOARD. WE CAN'T TAKE ACTION TODAY BECAUSE IT'S NOT
8 CALENDARED AND NOTICED, BUT WE CAN DERIVE AN INTENT OF
9 THE BOARD TO COME BACK IN JANUARY WITH A NEW RFA THAT
10 WILL ADDRESS THE NEEDS, A, TO PROVIDE AN OPPORTUNITY TO
11 COMPLETE OUR STATEWIDE INFRASTRUCTURE BUILDING OF YOUNG
12 FACULTY WITH THE FULL DISTRIBUTION OF THAT. WE HAVE THE
13 ABILITY TO MAKE CERTAIN, IF IT'S APPROPRIATE, TO, AS WE
14 DID IN THE FIRST ROUND, HAVE A LIMITATION OF FOUR PER
15 INSTITUTION.

16 TO THE EXTENT THAT ANY INSTITUTION HAS ALREADY
17 BEEN AWARDED FOUR, THEY WOULD NOT BE ABLE TO COMPETE IF
18 THAT WERE ADOPTED BY THE BOARD IN JANUARY BECAUSE ONE OF
19 THE GOALS STATED ORIGINALLY WAS TO HAVE A DISTRIBUTION OF
20 THIS FACULTY INFRASTRUCTURE BUILT UP.

21 SO WE HAVE THE ABILITY TO ADDRESS THE KEY
22 CONCERNS THAT ARE BEFORE US. ARE THERE BOARD COMMENTS AT
23 THIS TIME? AND THEN I'M GOING TO TAKE PUBLIC COMMENTS.

24 FIRST I'LL GO TO DUANE AND THEN TO SHERRY.

25 MR. ROTH: MR. CHAIRMAN, THIS IS REALLY A

BARRISTERS' REPORTING SERVICE

1 QUESTION. AFTER LISTENING TO WHAT TRANSPIRED, FOOTNOTE 1
2 AND THE WAY IT WAS PRESENTED, WHICH IS NEW TO ME, I
3 WONDER IF ANYONE CONSIDERED RECERTIFICATION, FOR LACK OF
4 A BETTER TERM, OF THE ENTIRE GROUP. AND I WANT TO
5 REMEMBER -- I WANT TO JUST STATE THAT THERE IS PRECEDENT
6 FOR THIS WITH THE SEED GRANTS THAT WE GAVE, WHICH CAME IN
7 ORIGINALLY AND THEN WE ASKED EVERYBODY TO CERTIFY
8 SOMETHING, I DON'T REMEMBER WHAT IT WAS, BEFORE THEY WENT
9 FORWARD. THAT IS NO. 1.

10 NO. 2, WE'VE MADE CONDITIONAL GRANTS IN THIS
11 ORGANIZATION PENDING RESOLUTION OF CERTAIN KEY ISSUES.
12 SO I JUST WONDER IF THERE ISN'T THE POSSIBILITY TO MOVE
13 AHEAD ON A CONDITIONAL GRANT PENDING CERTIFICATION ON
14 GRANTS.

15 CHAIRMAN KLEIN: BOTH OF THESE ITEMS WERE
16 CERTAINLY VERY SERIOUSLY EXAMINED. DR. MURPHY, WOULD YOU
17 LIKE COUNSEL TO ADDRESS THOSE OR WOULD YOU LIKE TO
18 ADDRESS THEM?

19 DR. MURPHY: WELL, I THINK DR. OLSON JUST
20 ADVISED ME THAT, DUANE, CERTIFICATION IN THAT PREVIOUS
21 COMPETITION WAS DONE BEFORE THE GRANTS WERE EVALUATED.
22 SO IT WAS TECHNICALLY QUITE DIFFERENT.

23 DR. OLSON: IT WAS BEFORE RECEIPT OF
24 APPLICATION. IT BASICALLY ASKED THE INSTITUTION TO
25 CERTIFY THAT THE APPLICANTS MET THE ELIGIBILITY CRITERIA

BARRISTERS' REPORTING SERVICE

1 THAT WERE SPECIFIED IN THE RFA. SO APPLICATIONS HAD NOT
2 EVEN BEEN RECEIVED WHEN THAT CERTIFICATION FORM WAS
3 REQUESTED.

4 CHAIRMAN KLEIN: SO IF WE COULD, DR. MURPHY,
5 COUNSEL, MY UNDERSTANDING FROM SEVERAL CONVERSATIONS IS,
6 IN FACT, WE LOOKED AT THIS. AND A RESUBMISSION OF THE
7 LIMITED NUMBER WAS NOT AN ADEQUATE REMEDY BECAUSE OF THE
8 INTERFACE OF OTHER STATE LAWS WITH PROPOSITION 71. IS
9 THAT A CORRECT STATEMENT?

10 MR. HARRISON: THAT IS CORRECT.

11 CHAIRMAN KLEIN: SHERRY LANSING, I BELIEVE, AND
12 THEN WE CAN GO TO DR. FRIEDMAN.

13 MS. LANSING: I JUST WANT SOME INFORMATION.
14 SINCE THIS WAS --

15 CHAIRMAN KLEIN: IS THIS MIC ON, PLEASE?

16 MS. LANSING: I WANT JUST A POINT OF
17 INFORMATION. BECAUSE I REALIZE THAT THIS WAS OUR ERROR,
18 SO I WANT TO BE FAIR TO TEN PEOPLE -- THAT'S WHY I ASKED
19 HOW MANY THERE WERE -- WHO HAD NOTHING TO DO WITH THIS.

20 I ALSO WANT TO STATE FOR THE RECORD THAT I'M A
21 REGENT, SO I WILL HAVE TO RECUSE MYSELF FROM THIS VOTE
22 ANYWAYS. BUT I JUST WANT TO ASK YOU SOMETHING. WHAT
23 IS -- HOW LONG WOULD WE HAVE TO DELAY IF WE WANTED TO GO
24 BACK, AND WHAT IS THE RISK OF DELAY?

25 DR. MURPHY: ON ALL THE GRANTS, SHERRY?

BARRISTERS' REPORTING SERVICE

1 MS. LANSING: YES. IN OTHER WORDS, IF WE SAY
2 WE MADE A MISTAKE, SO WE'RE GOING TO --

3 CHAIRMAN KLEIN: SHERRY, IT WOULD BE BETTER IF
4 SOMEONE ELSE ASKED THAT QUESTION.

5 DR. WRIGHT: THAT'S MY QUESTION.

6 CHAIRMAN KLEIN: IT'S JANET WRIGHT'S QUESTION.

7 DR. MURPHY: JANET, THE TIME IT WOULD -- FOR US
8 TO DELAY THE WHOLE COMPETITION AND THEN TO RE-UP IT FOR
9 EVERYBODY WOULD BE SOMEWHERE BETWEEN A SIX- AND
10 SEVEN-MONTH DELAY. WITH ALL OF THE OTHER COMPETITIONS
11 THAT WE ARE CURRENTLY JUDGING, I THINK THAT THAT WOULD --
12 IT WOULD NOT BE BEFORE THAT TIME.

13 SO IF I COULD, MR. CHAIRMAN, GIVE YOU MY OWN
14 VIEWS OF THIS. WE LOOKED AT A NUMBER OF POTENTIAL
15 REMEDIES. ONE IS COULD WE SEND THE GRANTS BACK AND HAVE
16 THE LETTERS REPLACED. AND AS THE CHAIRMAN SAID, NO, WE
17 CAN'T BECAUSE THE GRANTS ARE ALREADY, QUOTE, TAINTED WITH
18 THE ORIGINAL SIGNATURES. COULD WE CALL OFF THE WHOLE
19 COMPETITION? WE COULD AND BEGIN AGAIN, AS HAS BEEN
20 SUGGESTED HERE.

21 THE PROBLEM WITH THAT IS THAT THERE WERE 45 OR
22 48 GRANTS, WHATEVER THE NUMBER WAS, THAT WERE PROPERLY
23 PROCESSED IN THE COMPETITION. SO I THINK ON THE ONE HAND
24 WE HAVE TO BE FAIR TO THOSE FOLKS TOO WHO WENT THROUGH
25 THE COMPETITION IN AN UNTAINTED WAY. AND I HATE TO USE

BARRISTERS' REPORTING SERVICE

1 THE WORD "TAINT" BECAUSE I, FRANKLY, THINK THIS WAS NOT
2 TAIN T. IT WAS WHAT WE ALL KNOW IT WAS.

3 I THINK -- I HAVE SPOKEN WITH MANY OF THE
4 STUDENTS, BY THE WAY, AT SOME OF THESE SCHOOLS TO EXPLAIN
5 TO THEM WHAT YOU NOW KNOW. THEY WERE, OF COURSE,
6 DISAPPOINTED. THEY WERE UNDERSTANDING, AND THEY WERE
7 EXTREMELY GRATEFUL TO THEIR DEANS FOR PUTTING THEM
8 FORWARD. IT IS -- THEY REALIZE THAT THIS WAS AN
9 UNFORTUNATE EVENT. THEY WISH IT DIDN'T HAPPEN. NONE OF
10 US WISH IT HAPPENED. BUT THEY ALSO WERE NOT OPPOSED, IN
11 THE MOST PART, TO GO FORWARD WITH THE COMPETITION THE WAY
12 IT'S BEEN RECOMMENDED BY THE EXECUTIVE COMMITTEE.

13 CHAIRMAN KLEIN: AND I WOULD LIKE TO EXPLAIN
14 THAT WE DO AGREE WITH THE UNIVERSITY OF CALIFORNIA
15 SYSTEM, THAT THERE IS A VERY GOOD ARGUMENT THAT THIS DID
16 NOT, IN THE CONTEXT OF THESE FACTS, CONSTITUTE A
17 CONFLICT. UNDER NEW RULES THAT ARE CRISP AND CLEAR, IT
18 WOULD BE CLEAR IN THE FUTURE THAT IT IS A CONFLICT; BUT
19 GIVEN THE CONTEXT, WE BELIEVE THAT THE INDEPENDENT
20 ANALYSIS OF THE UC SYSTEM HAS A GREAT DEAL OF MERIT TO
21 IT.

22 THE ISSUE HERE IS WE DO KNOW WE HAVE DEDICATED
23 OPPOSITION WHO WILL LITIGATE ANYTHING THEY CAN. AND TO
24 GO FORWARD ON GRANTS THAT HAVE THIS ISSUE ASSOCIATED WITH
25 THEM ESSENTIALLY IS AN INVITATION TO LITIGATION THAT

BARRISTERS' REPORTING SERVICE

1 WOULD REALLY INTERRUPT ANY EXPECTATION, ANY REASONABLE
2 EXPECTATION, OF BENEFIT TO THOSE GRANTEES BECAUSE THEY
3 COULD BE TIED UP IN COURT FOR A SUBSTANTIAL LENGTH OF
4 TIME; WHEREAS, IF, AFTER REVIEWING THE STATEWIDE
5 SUFFICIENCY OF OUR INFRASTRUCTURE BUILDING, WE HAD A NEW
6 ROUND, WE COULD ADDRESS IT WITHOUT CONTEST AND WITHOUT
7 ISSUE.

8 DR. FRIEDMAN.

9 DR. FRIEDMAN: THANK YOU, MR. CHAIRMAN. I'D
10 LIKE TO SUPPORT THE PROPOSITION OF MOVING FORWARD WITH
11 THOSE GRANTS THAT WE CAN TODAY.

12 MS. PACHTER: I'M SORRY --

13 DR. FRIEDMAN: I'M SORRY.

14 MS. PACHTER: -- TO INTERRUPT YOU, DR.
15 FRIEDMAN, BUT WE DON'T WANT TO GET OURSELVES IN DEEPER.
16 AND SO ANYONE FROM AN INSTITUTION THAT HAS AN APPLICATION
17 BEFORE THIS AGENCY ON THIS RFA SHOULD NOT PARTICIPATE IN
18 THIS DISCUSSION.

19 DR. FRIEDMAN: OKAY. LET ME THEN PLEASE DELETE
20 WHAT I JUST SAID, AND LET ME GIVE YOU A MORE GENERAL
21 PHILOSOPHIC POSITION. WHATEVER WE DO, I WOULD LIKE TO
22 MOVE AS QUICKLY AS WE CAN TO ADDRESS THE OPPORTUNITIES
23 THAT EXIST AND ASK THE STAFF TO PLEASE HELP ADVISE US AS
24 TO WHAT MECHANISMS WE HAVE FOR BEING ABLE TO DO THAT.

25 I SUGGEST THAT NO MATTER WHAT DECISION WE MAKE

BARRISTERS' REPORTING SERVICE

1 TODAY, IT WILL BE UNFAIR TO SOMEONE. AND THAT IS TRUE
2 AND REGRETTABLE.

3 CHAIRMAN KLEIN: I THINK THAT THAT CAPTURES THE
4 CONCEPT, BUT WE, OUT OF CONSERVATISM, I THINK IT'S BEST
5 AT THIS POINT THAT WE MOVE TO EITHER THE PATIENT
6 ADVOCATES WHO HAVE NO CONFLICTS OR TO THE MEMBERS WITH
7 THERAPY DEVELOPMENT EXPERIENCE THAT HAVE NO CONFLICTS.
8 TED LOVE.

9 DR. LOVE: SO, BOB, AS THIS HAS BEEN EXPLAINED
10 TODAY PUBLICLY, IT'S PRETTY CLEAR THAT THERE WAS NO
11 MALICIOUS INTENT. AND I'M NOT AT ALL CONVINCED THERE WAS
12 ANY ADVERSE CONSEQUENCE. AND YET THE OPTIONS THAT WE PUT
13 OUT ON THE TABLE ACTUALLY WILL HURT EVERYONE WHO APPLIED
14 POTENTIALLY OR WILL CARVE OUT THESE TEN INDIVIDUALS TO BE
15 HURT.

16 AND I'M JUST TRYING TO ASK MYSELF KIND OF IN
17 THE OLD TRADITIONAL COUNTRY ALABAMA WAY IS THERE A WAY WE
18 CAN JUST DO THE RIGHT THING? WE JUST FUND ALL OF THESE
19 PEOPLE. THERE WAS NOTHING -- THERE WAS NOTHING MALICIOUS
20 ABOUT WHAT ANYONE DID. AND AT THE END OF THE DAY, IT
21 SEEMS TO ME THAT WE, MAYBE APPROPRIATELY, BUT WE'RE
22 BASICALLY TAKING AN ACTION WHICH HURTS PEOPLE TO PROTECT
23 OURSELVES FROM LEGAL EXPOSURE. AND AS A PHYSICIAN, I CAN
24 TELL YOU, AND I'VE BEEN IN THAT SITUATION MANY TIMES, AND
25 I THINK FORTUNATELY I'VE ALWAYS TRIED TO MAKE THE RIGHT

BARRISTERS' REPORTING SERVICE

1 DECISION FOR THE INDIVIDUAL INVOLVED AND NOT MAKE A
2 DEFENSIVE DECISION. SO IS IT ABSOLUTELY RIDICULOUS THAT
3 WE ENTERTAIN THE IDEA OF FUNDING ALL OF THESE?

4 CHAIRMAN KLEIN: HERE'S THE KEY IS THAT FROM MY
5 INDIVIDUAL PERSPECTIVE, THE ONLY RIGHT MORAL CHOICE IS TO
6 TAKE AN ACTION THAT PROTECTS EVERYONE. AND THE STAFF'S
7 RECOMMENDATION IS INTENDED TO ACCOMPLISH THAT. BECAUSE
8 IF WE GO THROUGH THE RECOMMENDATIONS WE CAN ACT ON TODAY,
9 WE WILL PROTECT THOSE CANDIDATES. IF WE WERE TO FUND
10 THOSE PEOPLE THAT WE HAVE BEEN ADVISED OUT OF
11 CONSERVATISM NOT TO ACT ON TODAY, WE INVITE LITIGATION ON
12 THOSE GRANTS. IT WILL BE A LONG TIME FOR THEM TO EVER
13 SEE ANY FUNDS. WHEREAS, IF, IN FACT, WE APPROPRIATELY
14 LOOK AT OUR STATEWIDE OBJECTIVES AFTER THIS ROUND, DECIDE
15 AT THE END THIS ITEM THAT WE SHOULD BRING BACK IN JANUARY
16 A PROPOSAL FOR A NEW ROUND WITH SUPPLEMENTAL FUNDING IN
17 ADDITION TO LEFT-OVER FUNDING, WE HAVE A CLEAN
18 OPPORTUNITY WHERE INSTEAD OF WAITING YEARS IN LITIGATION,
19 THOSE TEN PEOPLE WILL HAVE A TRUE OPPORTUNITY TO COMPETE
20 TO GET A GRANT THAT THEY ACTUALLY CAN RECEIVE THE FUNDS.

21 SO THE STAFF'S RECOMMENDATION IS TO PROTECT
22 THOSE INDIVIDUALS AS WELL AND TO GIVE THEM NOT A FALSE
23 PROMISE, BUT AN OPPORTUNITY TO COMPETE AND GET REAL
24 FUNDING.

25 DR. LOVE: IT IS VERY FRUSTRATING, I GOT TO

BARRISTERS' REPORTING SERVICE

1 TELL YOU, TO BE IN A POSITION WHERE WE KNOW WE ARE NOT
2 DOING THE RIGHT THING FOR INDIVIDUALS WHO HAVE BASICALLY
3 BEEN PUT IN A DISADVANTAGED POSITION THROUGH ABSOLUTELY
4 NO INTENTION OF THEIR OWN AND THROUGH NO ADVERSE
5 INTENTION OF ANYONE ELSE. AND WE'RE BASICALLY -- I
6 UNDERSTAND LAW AND I UNDERSTAND AVOIDING LEGAL RISK, BUT
7 IT JUST ALWAYS DISTURBS ME WHEN I FIND THAT PEOPLE ARE
8 GETTING HURT BECAUSE WE'RE TRYING TO PROTECT OURSELVES
9 AGAINST LEGAL EXPOSURE AND LEGAL LIABILITY.

10 CHAIRMAN KLEIN: THIS IS PROTECTING THE
11 APPLICANT AND THEIR ABILITY TO ACTUALLY GET FUNDS. SO
12 IT'S NOT THAT THE AGENCY WOULD BE OUT FUNDS. IT'S NOT
13 THE AGENCY HERE WE'RE PROTECTING. IT IS, IN FACT, THE
14 RECIPIENTS THAT WE'RE PROTECTING THAT IS FUNDAMENTAL TO
15 THIS.

16 DR. LOVE: THAT'S ABSOLUTELY -- I DON'T WANT TO
17 JUST DRIVE THIS TRUCK, BUT I'D REALLY LIKE TO KNOW THIS
18 IS CRYSTAL CLEAR. IT IS CRYSTAL CLEAR THAT IF WE DON'T
19 GIVE THESE PEOPLE THE FUNDING THAT THEY COMPETED FOR AND
20 WON THROUGH A LEGITIMATE PROCESS, THEY'RE BEING ADVERSELY
21 IMPACTED. I JUST WANT TO MAKE SURE THAT WE KNOW THAT WE
22 HAVE BALANCED THE ISSUES PROPERLY AND HAVE COME DOWN ON
23 THE RIGHT SIDE THAT INTEGRATES ALL OF THE ISSUES. IT'S
24 NOT OBVIOUS TO ME AT THIS POINT.

25 CHAIRMAN KLEIN: WE'VE EXHAUSTED EVERY OPTION

BARRISTERS' REPORTING SERVICE

1 WITH LEGAL RESEARCH THAT HAS INVOLVED MULTIPLE ATTORNEYS
2 WITH A NUMBER OF DAYS OF INQUIRY. AND IT APPEARS THAT
3 THE RISK TO THE TEN APPLICANTS AND THEIR ABILITY TO
4 ACTUALLY GET FUNDING IS EXTRAORDINARILY HIGH IF WE DON'T
5 TAKE THE STAFF AND THE EXECUTIVE COMMITTEE
6 RECOMMENDATION.

7 DR. MURPHY: MR. CHAIRMAN, IF I JUST MAY ADD
8 ONE OTHER POINT. TED, THE OTHER VULNERABILITY WE HAVE
9 HERE IS THE VULNERABILITY THAT THE DEANS THEMSELVES ARE
10 EXPOSED TO BECAUSE IF, IN FACT, WE CROSS OVER THIS LINE
11 AND ROLL THE DICE AND SAY WE THINK THIS IS OKAY AND, IN
12 FACT, IN THE FUTURE IT IS SHOWN TO BE NOT OKAY, THE
13 DEANS, WHO I AGREE WITH YOU ACTED TOTALLY INNOCENTLY,
14 COULD BE SUBJECT TO CRIMINAL PENALTY BY EXPOSING
15 THEMSELVES TO BREAKING STATE LAW 1090, WHICH IS
16 PUNISHABLE BY CRIMINAL SANCTIONS. SO I THINK THAT'S
17 ANOTHER REASON WE NEED TO PLAY THIS QUITE CONSERVATIVELY.

18 DR. LOVE: JUST LAST ON THIS POINT. LET'S
19 ASSUME THAT WE HAVE A PROCESS WHERE THOSE INDIVIDUALS DO
20 NOT PARTICIPATE, BUT IT IS THE OTHER MEMBERS OF THIS
21 BOARD WHO TAKE ON THAT, HOW COULD THEY BE AT RISK IF --
22 THE DEFAULT PROCESS IS WE WILL NOT FUND THOSE TEN, AND
23 THAT'S WHERE WE START, BUT THE OTHER MEMBERS OF THIS
24 BOARD TAKE IT UPON THEMSELVES TO, WITHOUT ANY INPUT OR
25 ANY INFLUENCE FROM THOSE INDIVIDUALS, PROVIDE THE GRANT

BARRISTERS' REPORTING SERVICE

1 FUNDING, THAT DOES NOT PROVIDE ANY LEGAL -- I FEEL LIKE,
2 JIM, I'M CREATING PROBLEMS FOR YOU, BUT I'M JUST REALLY
3 TROUBLED WITH THIS.

4 MR. HARRISON: YOU KNOW, I APPRECIATE YOUR
5 FRUSTRATION AND, FRANKLY, ALL OF YOUR FRUSTRATION. IT'S
6 AN EXTRAORDINARILY FRUSTRATING EXPERIENCE.

7 ONE OF THE CHALLENGES THAT WE FACE IS THAT THIS
8 PARTICULAR LAW HAS BEEN SO BROADLY CONSTRUED BY THE
9 COURTS; AND WHEN IT HAS BEEN APPLIED, IT'S BEEN APPLIED
10 WITH QUITE ADVERSE CONSEQUENCES. IT MAY NOT MAKE ANY
11 SENSE. LET ME GIVE YOU ONE QUICK ILLUSTRATION, IF I CAN,
12 TO TRY TO CRYSTALLIZE IT.

13 THERE'S A FAMOUS CASE CALLED THOMPSON VS. CITY
14 OF CALL. IN THIS PARTICULAR INSTANCE, A COUNCILMEMBER
15 FOR THE CITY OF ALBANY OWNED PROPERTY. DEVELOPER WANTED
16 TO DEVELOP PROPERTY IN THE CITY. THE CITY SAID YOU CAN
17 DEVELOP, BUT WE NEED YOU TO DEED SOME SPACE FOR A PUBLIC
18 PARK. THE DEVELOPER TALKED TO THE COUNCILMEMBER, DECIDED
19 TO ACQUIRE THE COUNCILMEMBER'S PROPERTY TO DEED TO THE
20 CITY FOR A PUBLIC PARK. COUNCILMEMBER HAD NOTHING TO DO
21 WITH IT.

22 HE WENT TO THE CITY ATTORNEY AND SAID, "THIS IS
23 THE SITUATION. WHAT SHOULD I DO?" CITY ATTORNEY SAID
24 RECUSE YOURSELF, DON'T PARTICIPATE IN THE COUNCIL'S
25 DECISION.

BARRISTERS' REPORTING SERVICE

1 COUNCIL APPROVES THE DEVELOPMENT AGREEMENT,
2 PROPERTY IS DEEDED TO THE CITY FOR A PUBLIC PARK. LO AND
3 BEHOLD, THE COURT FINDS THAT, EVEN THOUGH THIS MEMBER
4 NEVER EVEN PARTICIPATED IN THE DECISION, THAT THERE WAS A
5 VIOLATION OF 1090. AND THE CONSEQUENCES OF THAT WERE
6 THAT THE CITY GOT TO KEEP THE PARK, AND THE COUNCILMEMBER
7 HAD TO FORFEIT THE \$274,000 THAT HE HAD BEEN PAID BY THE
8 DEVELOPER. AND MIND YOU, THIS WAS IN 1973.

9 SO THE POINT IS THAT THE COURTS HAVE VERY
10 BROADLY CONSTRUED THIS PROVISION. WE THINK WE HAVE VERY
11 STRONG ARGUMENTS THAT THERE WAS NO VIOLATION OF ANY
12 CONFLICT OF INTEREST LAW HERE, BUT THE RISKS ARE HIGH,
13 NOT ONLY TO BOARD MEMBERS, BUT, AS BOB SAID, TO THE
14 APPLICANTS THEMSELVES BECAUSE UNDER THIS PARTICULAR
15 PROVISION OF LAW, THERE'S NO QUESTION. IF THERE'S A
16 VIOLATION, THE CONTRACTS ARE SIMPLY VOID. THERE'S NO
17 ANALYSIS OF WHETHER IT'S FAIR OR RIGHT. THEY'RE JUST
18 VOID.

19 SO WE HAVE STRUGGLED MIGHTILY OVER THE LAST
20 WEEK TO TRY TO RESOLVE THIS, TO TRY TO FIND A WAY TO
21 ADDRESS THIS AND CORRECT IT IN A MANNER THAT BOTH
22 ACHIEVES THE MISSION AND THE GOALS OF THE AGENCY AND
23 PROTECTS THOSE INVOLVED. AND THIS IS, FRANKLY, THE BEST
24 THAT WE COULD COME UP WITH.

25 CHAIRMAN KLEIN: I'D ALSO LIKE TO SAY IN TWO

BARRISTERS' REPORTING SERVICE

1 YEARS OR THREE YEARS FROM NOW, WITH THE 1090, THERE MAY
2 BE ATTORNEY GENERAL'S GUIDANCE THAT MAKES IT CLEAR THAT
3 THIS WAS NOT A VIOLATION. THERE'S A FIREMAN'S GUIDANCE
4 THAT SPECIFICALLY THE FIREMEN WENT AND GOT A
5 CLARIFICATION THAT, IN FACT, THEY COULD ACT IN A SIMILAR
6 SITUATION AND NOT HAVE A VIOLATION. THE ISSUE HERE IS
7 THAT WE HAVE STATE STATUTES THAT DON'T HAVE YEARS OF
8 APPLICATION AND DON'T HAVE CLARIFICATIONS AND VERY STRICT
9 APPLICATIONS THAT DON'T LOOK AT INTENT.

10 SO IN PROTECTING THE APPLICANTS AND MAKING SURE
11 THEY GET A REAL GRANT THAT IS NOT VOIDED, I THINK THAT,
12 FROM A MORAL STANDPOINT, THE RIGHT THING TO DO FOR THEM
13 IS THE SAME THING -- IS THE RIGHT THING TO DO FOR THE
14 OTHER APPLICANTS AS WELL.

15 COUNSEL, COULD YOU ADVISE ME ON A PROCEDURE
16 WHERE WE CAN GO FORWARD? AND I BELIEVE WE'LL HAVE TO
17 ADDRESS THESE GRANTS ONE AT A TIME; IS THAT CORRECT? OR
18 HOW -- WHAT PROCEDURE CAN WE DO IN ADDRESSING WHETHER OR
19 NOT WE'RE GOING TO PROCEED ON THE TEN?

20 MR. HARRISON: I BELIEVE THAT THE ONLY WAY THAT
21 YOU COULD DEAL WITH THAT ISSUE WOULD BE THROUGH A MOTION
22 MADE BY A MEMBER WHO OBVIOUSLY HAS NO INTEREST TO NOT
23 FUND ANY OF THE APPLICATIONS. YOU WOULD THEN ASK FOR A
24 VOTE EN BLOC, AND BOARD MEMBERS WOULD VOTE ON THE MOTION
25 EXCEPT AS TO THOSE APPLICATIONS IN WHICH THEY HAVE AN

BARRISTERS' REPORTING SERVICE

1 INTEREST, WHICH IS SORT OF THE OBVERSE OF THE WAY THAT
2 WE'VE DONE IT IN THE PAST. BUT I BELIEVE THAT'S THE ONLY
3 WAY THAT YOU COULD CONSIDER THIS ITEM.

4 CHAIRMAN KLEIN: ALL RIGHT. SO --

5 MR. HARRISON: MR. KLEIN, THE OTHER WAY TO DO
6 IT WOULD BE FOR A MOTION THAT WAS -- FOR A MOTION
7 ESSENTIALLY TO CANCEL THIS RFP, NOT TO FUND ANY OF THEM
8 THAT WAS JUST VOTED ON BY THOSE WHO DON'T HAVE AN
9 INTEREST. WE HAVE TO CHECK THE QUORUM TO MAKE SURE WE
10 HAVE A SUFFICIENT NUMBER OF MEMBERS PRESENT FOR THAT, BUT
11 THAT WOULD BE ANOTHER OPTION.

12 CHAIRMAN KLEIN: OKAY. WHAT I'D LIKE TO DO IS
13 TAKE A FIVE-MINUTE BREAK BECAUSE I WANT TO BE VERY
14 CAREFUL WITH THESE MOTIONS. AND WE HAVE, BEFORE THAT
15 BREAK, I THINK DR. AZZIZ AND DR. PRIETO WANTED TO MAKE A
16 COMMENT. DR. AZZIZ, THOUGH, IS WITH AN INSTITUTION.

17 DR. AZZIZ: THAT DOES NOT HAVE ANY GRANTS IN
18 THIS ROUND.

19 CHAIRMAN KLEIN: JAMES? JUST FOR TOTAL FOCUS,
20 DR. AZZIZ WITH AN INSTITUTION DOES NOT HAVE ANY GRANTS IN
21 THIS ROUND. DR. OLSON; IS THAT CORRECT?

22 DR. MURPHY: THAT IS TRUE.

23 MR. HARRISON: WE DO HAVE HIM IDENTIFIED ON THE
24 CONFLICTS LIST AS TO CERTAIN APPLICATIONS. I DON'T KNOW
25 WHAT THE SOURCE --

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: IT'S NOT YOUR INSTITUTION, BUT
2 AFFILIATE INSTITUTIONS.

3 DR. AZZIZ: RIGHT. THAT'S CORRECT. THE
4 CONFLICTS, I'M ALWAYS IN CONFLICT BECAUSE OF MY SECONDARY
5 AFFILIATION.

6 CHAIRMAN KLEIN: THAT'S RIGHT, SO WE CAN'T TAKE
7 A COMMENT AT THIS TIME. DR. PRIETO.

8 DR. PRIETO: I APPRECIATE WE'RE TRYING TO
9 PROCEED WITH AN EXCESS OF CAUTION. I THINK, TO ANSWER
10 TED'S QUESTION, THOUGH, THE ONLY ANSWER HAS TO BE THAT A
11 MISTAKE WAS MADE, AND THOSE TEN GRANT APPLICANTS ARE
12 GOING TO SUFFER IN SOME WAY, AND HOW CAN WE MINIMIZE
13 THAT? HOW CAN WE PROVIDE THE BEST PROCESS FOR THEM?
14 CLEARLY TRYING TO JUST GO FORWARD AND APPROVE THE
15 APPLICATIONS, I THINK, IS -- REALLY WOULD BE RECKLESS AND
16 PUT THEM AT MORE RISK.

17 BUT I HAD A QUESTION FOR JAMES REGARDING YOUR
18 SUGGESTION OF HOW WE MIGHT PROCEED. WERE YOU SUGGESTING
19 THAT ONE OF US COULD MAKE A MOTION TO NOT FUND ANY OF THE
20 APPLICATIONS IN THE RFP, OR JUST THE TEN THAT WERE
21 DISQUALIFIED?

22 MR. HARRISON: WELL, I THINK THAT THE MOTION --
23 I THINK THE MOTION WOULD BE NOT TO FUND ANY OF THEM. IF
24 YOU WERE TO DECIDE THAT THE BEST WAY TO RESOLVE THIS IS,
25 RATHER THAN DEALING WITH THOSE APPLICATIONS THAT ARE NOT

BARRISTERS' REPORTING SERVICE

1 AT ISSUE, THAT ARE NOT AFFECTED BY WHAT WE'VE BEEN
2 DISCUSSING, THEN WHAT YOU DO IS HAVE A MOTION NOT TO FUND
3 ANY APPLICATIONS AT THIS POINT IN TIME.

4 DR. PRIETO: MY PREFERENCE WOULD BE MOVE
5 FORWARD ON THOSE APPLICATIONS THAT ARE NOT IN ANY WAY
6 CONFLICTED AND NOT SUBJECT TO ANY ERROR, AND THEN TO
7 SEPARATELY CONSIDER A RESUBMISSION IN WHATEVER FORMAT.

8 MR. HARRISON: THE OTHER WAY TO APPROACH IT, OF
9 COURSE, WOULD SIMPLY BE TO START CONSIDERING THE
10 APPLICATIONS THAT ARE NOT AFFECTED BY THIS ISSUE.

11 CHAIRMAN KLEIN: WHAT -- COUNSEL, WHAT I'D LIKE
12 TO DO HERE AND, DR. PRIETO, WHAT I'D LIKE TO DO IS,
13 BECAUSE THIS PARTICULAR TYPE OF MOTION HAS UNUSUAL
14 CONFLICTS ISSUES ASSOCIATED WITH IT, AND WE HAVE TO
15 CALCULATE THE QUORUM BASED ON HOW IT IS PHRASED AND HOW
16 WE PROCEED, I'D LIKE TO TAKE JUST A FIVE-MINUTE BREAK FOR
17 EVERYONE, TALK TO COUNSEL, CONFIRM THE QUORUM THAT WE
18 NEED TO MAKE CERTAIN WE'RE PROCEEDING PROPERLY.

19 AND, JON SHESTACK, THANK YOU FOR BEING HERE.
20 WE WILL TAKE -- WHAT I'D LIKE TO DO IS AS SOON AS WE COME
21 BACK, WE'LL IDENTIFY THE MOTION, THEN WE'RE GOING TO TAKE
22 FULL PUBLIC COMMENT AT THAT TIME. BUT WHAT I'D LIKE TO
23 DO IS IDENTIFY THE ISSUE THAT'S IN FRONT OF US
24 SPECIFICALLY FOR CONSIDERATION SO THE PUBLIC COMMENT CAN
25 BE QUITE TARGETED TO WHAT IS UNDER CONSIDERATION. THANK

BARRISTERS' REPORTING SERVICE

1 YOU. WE' LL ADJOURN FOR FIVE MINUTES.

2 (A RECESS WAS TAKEN.)

3 CHAIRMAN KLEIN: ALL RIGHT. IF WE COULD
4 PROCEED, PLEASE. THANK YOU VERY MUCH FOR YOUR PATIENCE.
5 SO WE' VE HAD A VERY HEALTHY DISCUSSION WITH VIEWS
6 PRESENTED. I WOULD LIKE TO, FIRST OF ALL, SEE AMONG
7 THOSE -- COULD COUNSEL READ THOSE MEMBERS PRESENT WHO
8 HAVE NO CONFLICTS FROM PRIMARY OR SECONDARY INSTITUTIONS
9 SO WE KNOW EXACTLY WHO CAN MAKE A MOTION HERE, PLEASE.

10 MS. PACTER: LEEZA GIBBONS, ROBERT KLEIN, TED
11 LOVE, WHO ARE HERE, ED PENHOET, DR. PRIETO, DUANE ROTH,
12 JON SHESTACK, AND DR. WRIGHT.

13 CHAIRMAN KLEIN: OKAY. AND COULD THE STAFF
14 PLEASE GET THOSE MEMBERS WHO MAY BE IN THE LOBBY, NOT
15 REALIZING WE HAVE RECONVENED, TO PLEASE IMMEDIATELY JOIN
16 US. LEEZA, WE' RE COMING BACK INTO VOTING.

17 I' D LIKE TO DO THIS IN TWO STEPS. ONE, SEE IF
18 THERE IS A MOTION. IF THERE IS NOT A MOTION, I WILL
19 STILL TAKE PUBLIC COMMENT. THE -- IS THERE A MOTION
20 TO -- FROM THE BOARD TO NOT PROCEED AS ADVISED BY THE
21 EXECUTIVE COMMITTEE, BUT RATHER TO THROW OUT ALL OF THE
22 APPLICATIONS AND START OVER? IS THERE ANY -- IS THERE A
23 MOTION TO DO THAT? IF THERE IS NOT A MOTION AND A
24 SECOND, I' M STILL GOING TO TAKE PUBLIC COMMENT, BUT I
25 WANT TO PROVIDE THE OPPORTUNITY FOR SUCH A MOTION IF, IN

BARRISTERS' REPORTING SERVICE

1 FACT, BOARD MEMBERS FEEL COMPELLED TO MAKE IT.

2 SEEING NO MOTION, I'D LIKE PUBLIC COMMENT,
3 PLEASE.

4 MR. SIMPSON: JOHN SIMPSON FROM THE FOUNDATION
5 FOR TAXPAYER AND CONSUMER RIGHTS. I CAME HERE TODAY
6 EXPECTING THAT I WAS GOING TO HAVE TO ASK YOU TO NAME THE
7 INSTITUTIONS THAT WERE INVOLVED IN THIS REGRETTABLE
8 MISTAKE PARTLY BECAUSE OF THE SORT OF STONEMALLING
9 ATTITUDE THAT WAS SHOWN BY THE AGENCY WHEN THE
10 INFORMATION WAS FIRST LEAKED. IT WOULD HAVE BEEN SO MUCH
11 SIMPLER, SO MUCH BETTER, AND YOU WOULD HAVE HAD MUCH MORE
12 PUBLIC TRUST IF WHEN IT CAME TO LIGHT, YOU HAD SIMPLY
13 GONE OUT PUBLICLY WITH ALL FIVE INSTITUTIONS.

14 SO I COMMEND YOU FOR FINALLY DOING IT, BUT I
15 WISH YOU WOULD JUST BE UP FRONT AND TRANSPARENT FROM THE
16 BEGINNING. IT WOULD BE SO MUCH BETTER FOR THE BOARD, FOR
17 THE PATIENTS, FOR ALL THE TAXPAYERS OF CALIFORNIA.

18 THE OTHER THING I NOTED WAS THAT WE STILL
19 HAVEN'T SAID WHICH DEANS IT ACTUALLY WERE. I MEAN WE CAN
20 GO AND CHECK THE LISTS OFF; BUT IF WE GO AND LOOK, IN
21 FACT, AT SOME OF THE PUBLICATIONS YOU'VE GOT, IT WOULD
22 STILL SHOW US THAT THE DEAN AT UCSD IS ED HOLMES RATHER
23 THAN DEAN BRENNER. SO WHY CAN'T WE JUST SIMPLY SAY THE
24 FACTS IN A SIMPLE STRAIGHTFORWARD WAY AND GET IT ALL OUT
25 THERE? IT'S BEST FOR EVERYBODY.

BARRISTERS' REPORTING SERVICE

1 I'M SITTING HERE IN A QUANDARY FINALLY ABOUT
2 WHICH WAY YOU SHOULD GO. I THINK THAT THERE ARE VERY
3 COMPELLING ARGUMENTS ON THE SIDE OF THE USC PROPOSITION.
4 I GUESS AT THE END OF THE DAY NO ONE IS GOING TO BE
5 HAPPY.

6 I WOULD MAKE ONE FINAL POINT, AND THAT WOULD BE
7 TO SUGGEST THAT THIS LATEST ROUND OF CONFLICTS IS
8 ENTIRELY DIFFERENT THAN THE EARLIER INCIDENT WITH DR.
9 REED FROM THE BURNHAM WHERE HE ACTIVELY LOBBIED ON THE
10 ADVICE OF THE CHAIRMAN; AND THAT, INDEED, AT MY REQUEST
11 HAS BEEN TAKEN UP BY THE STATE ETHICS COMMITTEE, THE FAIR
12 POLITICAL PRACTICES COMMISSION. THAT'S APPROPRIATE. IT
13 NEEDS TO BE LOOKED AT. THAT WAS A VERY SERIOUS,
14 EGREGIOUS VIOLATION.

15 I -- I -- I NOTE THAT HE HAS RECUSED HIMSELF
16 COMPLETELY DURING THE PROBE. THAT'S A MINIMAL STEP. I
17 ACTUALLY THINK HE REALLY SHOULD RESIGN. I'VE MADE THAT
18 POINT BEFORE. SO THANK YOU VERY MUCH. APPRECIATE IT.

19 CHAIRMAN KLEIN: MR. SIMPSON, IT'S A GROSS
20 MISSTATEMENT OF THE FACTS TO INDICATE THAT AS CHAIRMAN
21 THAT I SUGGESTED THAT MR. REED ACTIVELY LOBBIED. THAT IS
22 FALSE. IT HAS NO PRETENSE OF BEING TRUE.

23 AND WHAT IS IMPORTANT TO UNDERSTAND IS THAT IT
24 IS THAT SAME FOOTNOTE THAT WAS MISLEADING TO MR. REED AS
25 IT WAS THE DEANS. IT HAS CREATED A GREAT DEAL OF

BARRISTERS' REPORTING SERVICE

1 CONFUSION; AND, IN FACT, IT SHOWS YOU HAVE FIVE PEOPLE
2 THAT ALL INTERPRETED THE SAME, OF GREAT DISTINCTION, OF
3 GREAT COMMITMENT TO RESEARCH. THEY BELIEVE THEY'RE
4 ACTING APPROPRIATELY. OBVIOUSLY THE UC SYSTEM THINKS
5 THEY ACTED APPROPRIATELY WITHIN THE CONSTRAINTS THAT OUR
6 OWN CONFLICTS PROVISIONS PROVIDED.

7 MR. REED.

8 MR. REED: IN A COURT OF LAW, IF A LAWYER
9 RAISES A POINT WHICH THE JUDGE SAYS IS INADMISSIBLE, THE
10 JURY WILL BE JUST ADVISED TO DISREGARD THAT INFORMATION.
11 IT SEEMS TO ME THAT SOMETHING LIKE THIS SHOULD BE MADE A
12 PART OF OUR PROCESS. SO THAT IF SOMETHING COMES UP WHICH
13 IS OUT OF LINE, BUT NOT PART OF A SYSTEMATIC PATTERN TO
14 DECEIVE, THAT PIECE OF INFORMATION COULD BE DENIED THE
15 PROCESS WITHOUT PENALTY. AS IT IS NOW, IT SEEMS TO ME
16 THAT IF THERE IS A VIOLATION, HOWEVER SMALL OR LARGE, THE
17 WHOLE THING GETS SHOT DOWN. TO ME THAT'S LIKE A FOOTBALL
18 GAME WHERE THE FIRST PENALTY THEY SHOOT THE PLAYER.

19 I WOULD LIKE TO SEE SOME FORM OF A MECHANISM TO
20 WHERE OBJECTIONS COULD BE MADE WITHOUT STOPPING THE
21 VALUABLE WORK OF THE SCIENTISTS. THANK YOU.

22 CHAIRMAN KLEIN: ADDITIONAL COMMENTS?

23 MS. FOGEL: THANK YOU. I'M SUSAN FOGEL WITH
24 THE PRO CHOICE ALLIANCE FOR RESPONSIBLE RESEARCH. I JUST
25 WANT TO STEP BACK FOR A MINUTE AND SAY SOMETHING ABOUT

BARRISTERS' REPORTING SERVICE

1 CIVIC PARTICIPATION. THERE'S BEEN A LOT OF TALK TODAY
2 ABOUT THE DEDICATED OPPOSITION, YOUR MANY CRITICS.
3 UNLESS YOU'RE TALKING ABOUT THE ANTI CHOICE LOBBY, WHICH
4 THEY ARE YOUR DEDICATED OPPOSITION, THE REALITY IS, AS A
5 PUBLIC AGENCY, YOU ARE APPROPRIATELY SUBJECT TO PUBLIC
6 SCRUTINY. AND WHEN MAJOR NEWSPAPERS AROUND THE STATE AND
7 NONPROFIT ORGANIZATIONS WHO ARE PARTICIPATING IN THIS
8 PROCESS RAISE ISSUES THAT SEEMS QUITE APPROPRIATE, WE
9 SPENT HOURS TALKING ABOUT THEM TO BE RAISED, IT'S
10 DISTURBING TO HEAR THAT PARTICIPATION BE CRITICIZED
11 MEETING AFTER MEETING AFTER MEETING.

12 WE SHOW UP HERE AT EVERY MEETING JUST LIKE YOU
13 DO BECAUSE WE CARE ABOUT THE PROCESS. WE CARE ABOUT THE
14 OUTCOMES. AND WE WOULD LIKE SOME RESPECT TOO. THANK
15 YOU.

16 CHAIRMAN KLEIN: I THINK IT IS A VERY IMPORTANT
17 PART OF OUR PROCESS TO HAVE CRITICAL COMMENTS. THE POINT
18 WAS MADE EARLIER THAT THE INTENT WAS TO MAKE A FULL
19 PRESENTATION AND HAVE A FULL DEBATE IN PUBLIC AT THIS
20 MEETING. AND IT IS IMPORTANT TO NOTE THAT IT IS JUST
21 LAST NIGHT THAT WE FINALLY GOT THE UNIVERSITY OF
22 CALIFORNIA'S POSITION. AND SO TO PREEMPTORILY RELEASE
23 INFORMATION WITHOUT HAVING THEIR POSITION, WITHOUT HAVING
24 THEM -- WHILE GIVING THEM AN OPPORTUNITY TO PRESENT THEIR
25 POSITION, DID NOT SEEM TO BE THE RIGHT APPROACH TO THE

BARRISTERS' REPORTING SERVICE

1 EXECUTIVE COMMITTEE.

2 IT IS CLEARLY A COMMITTED PUBLIC DEBATE WE HAD
3 HERE THAT WAS VERY HEALTHY AND INVITED. WE APPRECIATE
4 THAT DEBATE.

5 WE DO NOT HAVE A MOTION THAT WOULD THROW OUT
6 THESE GRANTS AND START OVER. SO, DR. MURPHY, I WOULD
7 LIKE TO THEN PROCEED WITH THIS GRANT REVIEW OF THE GRANTS
8 THAT YOU CAN BRING TO US. AND IF YOU WOULD DIRECT THE
9 STAFF ON THE SEQUENCE YOU WOULD LIKE TO PROCEED WITH.

10 OKAY. THERE'S BEEN A REQUEST, BECAUSE OF
11 QUORUM ISSUES, DR. MURPHY, IF WE CAN QUICKLY TRY AND DEAL
12 WITH ITEM 10 AND THEN GO INTO THIS LARGER GRANT REVIEW.
13 ITEM 10 DEALS WITH SUPPLEMENTAL FUNDS, EQUIPMENT FUNDS,
14 THAT WOULD BE ADDED TO THE MAJOR FACILITIES ROUND. VERY
15 SPECIFICALLY, IT DEALS WITH \$35 MILLION IN EQUIPMENT
16 FUNDING THAT WOULD BE MADE AVAILABLE IN THE SAME MAJOR
17 FACILITIES ROUND TO INCREASE OUR TOTAL SOURCE OF FUNDS
18 FROM APPROXIMATELY 237 MILLION TO \$272 MILLION IN THAT
19 ROUND.

20 COUNSEL, BEFORE WE BEGIN THAT DISCUSSION, COULD
21 YOU TELL US WHO CAN VOTE ON THAT AND WHO CAN PARTICIPATE
22 IN THE DISCUSSION ON ADDING THOSE FUNDS? BECAUSE A
23 NUMBER OF THE BOARD MEMBERS BELONG TO INSTITUTIONS THAT
24 ARE PARTICIPATING IN THAT ROUND, THEREFORE, THEY COULD
25 NOT PARTICIPATE IN THAT DISCUSSION.

BARRISTERS' REPORTING SERVICE

1 MS. PACHTER: LEEZA GIBBONS, ROBERT KLEIN, TED
2 LOVE, TINA NOVA, DR. PRIETO, DUANE ROTH, JON SHESTACK,
3 AND DR. WRIGHT.

4 CHAIRMAN KLEIN: THE INDIVIDUALS WHO CAN
5 PARTICIPATE?

6 MS. PACHTER: WHO CAN PARTICIPATE IN A
7 DISCUSSION OF THE RECOMMENDATION FOR ADDITIONAL FUNDS FOR
8 MAJOR FACILITY GRANT AWARDS.

9 DR. MURPHY: MR. KLEIN, THIS IS A FOLLOW-UP
10 ITEM TO A PREVIOUS ISSUE THAT WAS RAISED AT THE OCTOBER
11 ICOC MEETING. AND I BELIEVE THIS WAS COMING FROM YOUR
12 DESK IN TERMS OF FOLLOWING THAT UP. I THINK IT WAS YOU,
13 MR. CHAIRMAN.

14 CHAIRMAN KLEIN: ALL RIGHT. GIVEN TIME
15 CONSIDERATIONS AND SINCE WE'VE HAD SUBSTANTIAL
16 SUGGESTIONS ON THE MAJOR FACILITIES ROUND PREVIOUSLY, IS
17 THERE ANYONE WHO WOULD LIKE TO MAKE A MOTION TO SUPPORT
18 THE ADDITION OF THOSE FUNDS?

19 DR. LOVE: SO MOVED.

20 MR. ROTH: SECOND.

21 DR. WRIGHT: SECOND.

22 CHAIRMAN KLEIN: MOVED BY TED LOVE, SECOND BY
23 DUANE ROTH, AND THE SECOND SECOND IS JANET WRIGHT.

24 OKAY. SO PUBLIC DISCUSSION? SEEING NO PUBLIC
25 DISCUSSION, I'D LIKE A ROLL CALL VOTE, PLEASE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: LEEZA GIBBONS.

2 MS. GIBBONS: AYE.

3 MS. KING: BOB KLEIN.

4 CHAIRMAN KLEIN: YES.

5 MS. KING: TED LOVE.

6 DR. LOVE: YES.

7 MS. KING: FRANCISCO PRIETO.

8 DR. PRIETO: YES.

9 MS. KING: DUANE ROTH.

10 MR. ROTH: YES.

11 MS. KING: JONATHAN SHESTACK.

12 MR. SHESTACK: YES.

13 MS. KING: JANET WRIGHT.

14 DR. WRIGHT: YES.

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BARRISTERS' REPORTING SERVICE

1 MS. KING: THAT MOTION CARRIES.

2 CHAIRMAN KLEIN: THANK YOU VERY MUCH. OKAY.

3 WITH THAT, DR. MURPHY, THE MAJOR FACILITIES ROUND HAVING
4 BEEN ADDRESSED, IF YOU COULD PLEASE ADDRESS THE NEW
5 FACULTY GRANTS.

6 DR. MURPHY: YES, MR. CHAIRMAN. THE NEW
7 FACULTY GRANTS, WE WILL HAVE INTRODUCTORY COMMENTS BY
8 JEFF SHEEHY, PLEASE.

9 MR. SHEEHY: SO WHEN DID WE MEET? IN OCTOBER.
10 IT'S STARTING TO RUN TOGETHER. TO CONSIDER THE NEW
11 FACULTY AWARDS, WE RECEIVED, I THINK, 59 APPLICATIONS,
12 AND THERE WERE 42 IN THE BASIC AREA AND 17 PHYSICIAN
13 SCIENTISTS. WE SOUGHT TO APPROVE 15 BASIC SCIENTISTS AND
14 10 PHYSICIAN SCIENTISTS.

15 THE PURPOSE WAS TO SUPPORT INVESTIGATORS IN
16 THEIR CRITICAL EARLY PHASES OF MANAGING THEIR OWN
17 INDEPENDENT LABORATORIES AND RESEARCH PROGRAMS. IT WAS
18 OPEN -- THIS IS THE FIRST ONE THAT WAS OPEN TO THE FULL
19 SPECTRUM OF STEM CELL RESEARCH, SO WE ALSO LOOKED AT
20 NONEMBRYONIC STEM CELL, ADULT STEM CELL APPLICATIONS AS
21 WELL.

22 WE HAVE A POTENTIAL AWARD UP TO \$85 MILLION.
23 AND I THINK AN INTERESTING FACET ON THIS THAT KIND OF
24 CHANGES THE CALCULATIONS THAT WE TYPICALLY MAKE IS THAT
25 THERE WERE INTERNAL COMPETITIONS AT THE UNIVERSITIES. SO

BARRISTERS' REPORTING SERVICE

1 A LOT OF TIMES WE TALK ABOUT THIS IN TERMS OF PAYLINE
2 AND, YOU KNOW, THE NIH DOES 30 PERCENT, OR THE NIH DOES
3 20 PERCENT. WHEN WE LOOK AT THE OVERALL NUMBER OF
4 APPLICATIONS THAT WERE BEING CONSIDERED, IT WAS MUCH
5 LARGER, I BELIEVE, THAN THE 59 THAT WE ACTUALLY RECEIVED.

6 THERE WERE THREE MAIN CRITERIA THAT WERE
7 EVALUATED. ONE WAS THE RESEARCH PLAN. THE SECOND WAS
8 THE INFORMATION ABOUT THE PRINCIPAL INVESTIGATOR, THEIR
9 BACKGROUNDS, THEIR PUBLICATIONS, THEIR FUTURE PROSPECTS,
10 AND THE INSTITUTIONAL COMMITMENTS, WHETHER THE
11 INSTITUTIONS WOULD SUPPORT THEM GOING FORWARD.

12 SO THE FUNDING RECOMMENDATIONS FROM THE WORKING
13 GROUP WERE -- AND THIS HAS CHANGED, SO IT'S VERY HARD TO
14 KEEP UP WITH THIS. THIS IS CURRENT? THAT'S WHAT I'M
15 THINKING. SO THEY RECOMMENDED 12 -- SO WHAT DO WE HAVE?
16 IN TIER 1 WE HAVE 12 BASIC SCIENTISTS THAT WERE
17 RECOMMENDED AND FIVE PHYSICIAN SCIENTISTS, AND THE TOTAL
18 FUNDING AMOUNT THAT WOULD BE POSSIBLE IS 42.4. SO
19 THERE'S TIER 1 RECOMMENDED FOR FUNDING.

20 IN TIER 2, WHICH IS RECOMMENDED FOR FUNDING IF
21 WE HAVE FUNDS AVAILABLE, WE HAVE EIGHT BASIC SCIENTISTS
22 RECOMMENDED AND ONE PHYSICIAN SCIENTIST. AND THAT WOULD
23 TOTAL ANOTHER \$20 MILLION APPROXIMATELY, WHICH WOULD
24 BRING US JUST OVER \$60 MILLION, WHICH IS BELOW WHAT WE
25 SOUGHT TO DO. WE WOULD HAVE -- IN THOSE TWO CATEGORIES,

BARRISTERS' REPORTING SERVICE

1 WE CAN EASILY FILL OUT THE 15 THAT WE ANTICIPATED. WE
2 WOULD FALL SHORT ON THE PHYSICIAN SCIENTIST SIDE EVEN IF
3 WE DID ALL SIX.

4 YOU KNOW, TYPICALLY IN THIS WHAT WE'VE DONE IS
5 IN THE PAST WE'VE LOOKED AT THE --

6 DR. OLSON: IT'S JUST THE SPREADSHEET OF THE
7 RECOMMENDED.

8 MR. SHEEHY: SO WE'RE NOT WORKING OFF A
9 HISTOGRAM AT THIS TIME. SO WE'RE WORKING STRAIGHT OFF
10 THE TABLE. SO IN THE PAST WHAT WE HAVE DONE IS THAT WE
11 MOVED INTO ACTUALLY CONSIDERING IN BLOCKS. SO I'M NOT
12 SURE HOW THE CHAIR WOULD LIKE TO PROCEED. WE ACTUALLY
13 HAVE THAT ONE GRAPH THAT DOES OFFER US THE POTENTIAL TO
14 CONSIDER, WITHOUT HAVING TO HAVE RECUSALS, ALL THE ONES
15 IN TIER 1, FOR INSTANCE, WITHOUT THEM ALL DISCLOSED. AM
16 I CORRECT, COUNSEL? AND ALSO TO DISPOSE OF TIER 3
17 POTENTIALLY.

18 MS. PACTER: WHAT I HAVE SUGGESTED IS THAT WE
19 NOT TAKE A BLOCK VOTE UNTIL THE END, THAT WE JUST MOVE
20 APPLICATIONS INDIVIDUALLY ONE BY ONE BETWEEN TIERS. AND
21 ONCE THE BOARD IS SATISFIED THAT NO FURTHER APPLICATIONS
22 NEED TO BE MOVED, THEN TO TAKE BLOCK VOTES AT THE END.

23 MR. SHEEHY: GREAT. SO THE NEXT SLIDE WOULD BE
24 THE SPREADSHEET WITH THE NAMES REVEALED. I JUST WANTED
25 TO BE CLEAR HOW WE WERE PROCEEDING. JUST NUMBERS.

BARRISTERS' REPORTING SERVICE

1 THAT' S RIGHT. NUMBERS AND SCORES.

2 IT' S A LITTLE CLEARER ON OUR SCREEN. I THINK
3 FOR THE PUBLIC IT' S A LITTLE BIT TOUGHER. AND THE ONES
4 THAT ARE BOLDED ARE THE PHYSICIAN SCIENTISTS. THAT GIVES
5 YOU A SENSE OF HOW PEOPLE FELL IN THE SCALE.

6 SO THE GREEN ONES ARE THE ONES THAT WERE
7 RECOMMENDED FOR FUNDING. AND THEY MAY BE ABLE TO CRUNCH
8 THIS DOWN AND SHOW YOU TIER 2.

9 SO AT THE BOTTOM IS TIER 3. DO WE HAVE THE
10 NUMBERS ON TIER 3 SO WE CAN SEE KIND OF WHERE THE SCORES
11 WERE? YOU DON' T SHOW THE NUMBERS FOR TIER 3.

12 CHAIRMAN KLEIN: JEFF, I BELIEVE THE NUMBERS
13 ARE SHOWN THROUGH 58. AND NORMALLY AFTER WE FIND OUT
14 WHETHER THERE' S ANY DESIRE BY THE BOARD TO HAVE A CLOSED
15 SESSION TO DISCUSS PROPRIETARY INFORMATION, THEN WE WOULD
16 GO THROUGH THE NORMAL PROCESS OF ASKING IF ANYONE WANTS
17 TO LOOK AT NUMBERS OR CONSIDER GRANTS BELOW 58.

18 SO WHAT WE HAVE HERE, JEFF, MAYBE DR. OLSON
19 COULD JUST GIVE US THE TWO STATISTICS. ONE, HOW MANY
20 GRANTS IN THE RECOMMENDED FOR FUNDING AND HOW MANY GRANTS
21 IN THE CATEGORY OF IF AVAIL ABLE FOR FUNDING?

22 DR. OLSON: OKAY. SO IF YOU LOOK, AND IT' S
23 MORE EASY TO SEE ON THE OTHER ONE, BUT IN THE TOP TIER,
24 I . E . , THOSE GRANTS THAT WERE RECOMMENDED FOR FUNDING,
25 THERE' S 17 TOTAL. SO YOU LOOK, SEE THE GREEN LINE AT THE

BARRISTERS' REPORTING SERVICE

1 BOTTOM OF YOUR SCREEN. IT SAYS THAT'S THE RECOMMENDED
2 FOR FUNDING CATEGORY. THERE'S 17 OUT OF 48 APPLICATIONS
3 THAT FALL INTO THAT CATEGORY. YOU CAN SEE IT SHOWS HOW
4 MANY ARE SCIENTISTS. SO 12 OF THOSE 17 ARE SCIENTISTS,
5 AND PHYSICIAN SCIENTISTS COMPRISE FIVE OF THE 17. AND
6 ADJACENT TO EACH OF THOSE NUMBERS, YOU CAN SEE THE
7 REQUESTED AMOUNTS OF FUNDING AND THE SUBTOTALS IN EACH OF
8 THOSE CATEGORIES.

9 THE SUBTOTAL CURRENTLY, AS JEFF INDICATED
10 BEFORE, IN THAT CATEGORY IS \$42.4 MILLION. THE TIER 2
11 COMPRISES NINE APPLICATIONS OUT OF THE 48. SO THIS IS
12 RECOMMENDED FOR CONSIDERATION FOR FUNDING. AND AS YOU
13 CAN SEE IN THIS CATEGORY, WE HAVE SIX OF THOSE NINE ARE
14 SCIENTISTS AND THREE OF THOSE NINE ARE PHYSICIAN
15 SCIENTISTS. AND, AGAIN, THE SUBTOTAL IN THAT CATEGORY IS
16 \$19.8 MILLION.

17 CHAIRMAN KLEIN: THANK YOU. DR. PENHOET.

18 DR. PENHOET: JUST A CLARIFYING QUESTION. A
19 PERSON IS DEFINED FOR THIS PURPOSE AS A PHYSICIAN
20 SCIENTIST IF THEY HAVE AN M.D. DEGREE IRRESPECTIVE OF
21 WHAT KIND OF WORK THEY'RE DOING.

22 DR. OLSON: NO.

23 DR. PENHOET: WHAT DEFINES A PHYSICIAN
24 SCIENTIST?

25 DR. OLSON: I'LL LET KUMAR SAY.

BARRISTERS' REPORTING SERVICE

1 DR. KUMAR: DR. PENHOET, AS SPECIFIED IN THE
2 RFA, PHYSICIAN SCIENTISTS MUST HAVE COMPLETED RESIDENCE
3 TRAINING TO BE ELIGIBLE FOR THIS APPLICATION AS A
4 PHYSICIAN SCIENTIST.

5 DR. OLSON: AND NOMINATED BY AN INSTITUTION
6 THAT HAD AN ACCREDITED MEDICAL SCHOOL.

7 DR. PENHOET: IF THEY'RE DOING COMBINATORIAL
8 CHEMISTRY, THEY'RE STILL INCLUDED IN THE PHYSICIAN
9 SCIENTISTS.

10 DR. OLSON: THAT IS CORRECT. SO THE
11 DESIGNATION BETWEEN -- IT'S ACTUALLY MORE APPROPRIATE.
12 THEY COULD BE DOING MORE TRANSLATIONAL WORK; THEY COULD
13 BE DOING BASIC WORK.

14 CHAIRMAN KLEIN: DR. OLSON, WOULD YOU INFORM
15 THE BOARD AND THE PUBLIC? WHAT ARE THE REQUIREMENTS OF
16 HOW MUCH TIME THEY COMMIT TO THIS RESEARCH IF, IN FACT,
17 THEY'RE AWARDED A GRANT?

18 DR. OLSON: THIS AWARD HAS A COMMITMENT OF 33
19 PERCENT OF THEIR TIME OVER FIVE YEARS, WHICH IS ACTUALLY
20 A SUBSTANTIAL COMMITMENT OF TIME FOR THOSE OF YOU WHO
21 KNOW ABOUT AND HAVE MULTIPLE GRANTS. SO WE WANTED THEM
22 TO BE WORKING ON THIS RESEARCH.

23 CHAIRMAN KLEIN: IF SOMEONE IS A PHYSICIAN AND
24 THEY GET THIS GRANT, THEY HAVE TO COMMIT 33 PERCENT OF
25 THEIR TIME SPECIFICALLY TO THIS AREA?

BARRISTERS' REPORTING SERVICE

1 DR. OLSON: RIGHT. AND THAT IS ACTUALLY AN
2 IMPORTANT THING. WHEN WE HAD TALKED TO PEOPLE IN
3 INTERVIEWS AND WHEN WE HAD TALKED WITH PHYSICIAN
4 SCIENTISTS, THAT'S ACTUALLY ONE OF THE BIG THINGS IS
5 BUYING SOME OF THEIR TIME AWAY FROM THEIR CLINICAL
6 RESPONSIBILITIES. SO THAT, IN PART, DROVE THE
7 REQUIREMENT FOR, YOU KNOW, WE WANT TO TRAIN RESEARCHERS
8 WHO CAN HELP IN TRANSLATING THE INVENTIONS AND THE
9 DISCOVERIES THAT ARE MADE IN THE SCIENCES INTO THE
10 CLINIC.

11 CHAIRMAN KLEIN: THANK YOU. DR. POMEROY. AND
12 DR. POMEROY, I TAKE IT YOU'RE NOT GOING TO ADDRESS ANY
13 MOTION. IT'S A QUESTION.

14 DR. POMEROY: IT'S A QUESTION ABOUT GRANTS FOR
15 WHICH I HAVE NO CONFLICTS. THERE ARE TWO GRANTS LISTED
16 IN THE RECOMMENDED IF FUNDS ARE AVAILABLE THAT DON'T HAVE
17 SCORES. COULD YOU CLARIFY WHY AND --

18 MR. SHEEHY: THOSE WERE MOVED UP FROM TIER 3 IN
19 PROGRAMMATIC REVIEW BY THE SCIENTISTS. THE FIRST ONE WAS
20 MOVED UP BECAUSE IT ADDRESSES A SPECIFIC CONDITION THAT
21 HAS TENDED TO BE UNDERREPRESENTED IN OUR RESEARCH ON
22 ALZHEIMER'S DISEASE. AND THE SECOND ONE ACTUALLY HAD A
23 VERY INTERESTING TRAINING COMPONENT THAT ONE OF OUR
24 RESEARCHERS THOUGHT WAS AN IMPORTANT ASSET TO ADD TO OUR
25 PORTFOLIO.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: SO IF THOSE GRANTS ARE TO BE
2 ACTUALLY CONSIDERED FOR FUNDING, THEN AT THAT TIME THE
3 BOARD MEMBER WHO WOULD MAKE THE MOTION WOULD EFFECTIVELY
4 TRIGGER THAT SCORE BEING DISPLAYED BECAUSE WE DON'T
5 CONSIDER ANY GRANT FOR APPROVAL WITHOUT DISPLAYING THE
6 SCORE. AND AFTER THE CONFIDENTIAL EXECUTIVE SESSION, IF
7 WE'RE TO HAVE ONE, THERE'S AN OPPORTUNITY TO ASK ABOUT
8 PROPRIETARY INFORMATION RELATED TO THOSE GRANTS IF THAT'S
9 IMPORTANT TO THE DECISION.

10 AT THIS TIME I'D LIKE TO ASK, DR. OLSON, WOULD
11 YOU LIKE TO COVER ANY MORE MATERIAL BEFORE I ASK THE
12 BOARD WHETHER THEY WOULD LIKE AN EXECUTIVE SESSION?

13 DR. OLSON: NO, CHAIRMAN.

14 CHAIRMAN KLEIN: DR. MURPHY?

15 DR. MURPHY: NO, MR. CHAIRMAN.

16 CHAIRMAN KLEIN: IS THERE ANY BOARD MEMBER WHO
17 WOULD LIKE AN EXECUTIVE SESSION TO EXAMINE ANY OF THE
18 PROPRIETARY INFORMATION RELATED TO ANY OF THESE GRANTS?

19 DR. LOVE: QUESTION. TO CLAIRE'S QUESTION, CAN
20 WE FUND THEM WITHOUT KNOWING THE SCORES?

21 CHAIRMAN KLEIN: NO.

22 DR. LOVE: MUST WE GO TO EXECUTIVE SESSION IN
23 ORDER TO SEE THE SCORES?

24 CHAIRMAN KLEIN: IN EXECUTIVE SESSION WE CAN
25 LOOK AT THE PROPRIETARY INFORMATION; AND BASED ON THAT,

BARRISTERS' REPORTING SERVICE

1 YOU WOULD EVALUATE WHETHER OR NOT YOU WANTED TO MAKE A
2 MOTION FOR APPROVING A GRANT THAT WAS BELOW A 58 SCORE.
3 SO IT WOULD BE BASED ON YOUR ANALYSIS OF THE PROPRIETARY
4 INFORMATION.

5 SO THE QUESTION IS WOULD YOU LIKE AN EXECUTIVE
6 SESSION TO DISCUSS THAT PROPRIETARY INFORMATION? IS THAT
7 MATERIAL TO YOUR POTENTIAL DECISION ON THOSE GRANTS?

8 DR. LOVE: I'D BE INTERESTED IN AN EXECUTIVE
9 SESSION IF THAT'S WHAT WE NEED TO DO IN ORDER TO CONSIDER
10 FUNDING THOSE TWO GRANTS.

11 CHAIRMAN KLEIN: YES, DR. BENNETT.

12 DR. BENNETT: SIMILARLY, I DON'T KNOW WHETHER
13 THIS REQUIRES AN EXECUTIVE SESSION OR NOT, BUT HOW CAN WE
14 GET SOME COMMENT ON THE LAST ITEM IN THE GREEN FUNDABLE
15 CATEGORY, WHICH HAS A LOWER SCORE THAN TWO OF THE OTHER
16 ITEMS IN THE RECOMMENDED FOR FUNDING?

17 CHAIRMAN KLEIN: THERE'S -- AGAIN, THIS HAS
18 BEEN MOVED UP BECAUSE OF PROGRAMMATIC CONSIDERATIONS.
19 AND IN EXECUTIVE SESSION THERE'S AN OPPORTUNITY TO LOOK
20 AT THE PROPRIETARY INFORMATION TO EVALUATE WHETHER THE
21 BOARD BELIEVES THAT DECISION TO MOVE IT UP WAS
22 APPROPRIATE OR NOT. AND THEN WE'LL COME BACK AND HAVE A
23 DISCUSSION OF THAT GRANT AT THE TIME IT'S CONSIDERED FOR
24 FUNDING.

25 IF I COULD GET THE CHAIR OF THE PEER REVIEW

BARRISTERS' REPORTING SERVICE

1 GROUP, THE VICE CHAIR OF THE PEER REVIEW, JEFF SHEEHY, TO
2 COMMENT, PLEASE.

3 MR. SHEEHY: I THINK IT'S APPROPRIATE AT THIS
4 POINT TO KIND OF MENTION. I THINK ALL OF THE BOTTOM
5 THREE, AT LEAST TWO OF THE BOTTOM THREE, I THINK, ARE
6 PHYSICIAN SCIENTISTS, ALL THREE. AND WITHIN THIS
7 PARTICULAR COMPETITION, THEY TENDED TO SCORE, ESPECIALLY
8 IF THEY WERE DOING TRANSLATIONAL RESEARCH, LESS WELL.

9 AND DISCUSSIONS WITH WORKING GROUP MEMBERS HAVE
10 KIND OF INDICATED THAT, FROM THEIR PERSPECTIVE, A BASIC
11 SCIENCE QUESTION WITH THE NOVELTY THAT'S INVOLVED
12 SOMETIMES GETS A BETTER SCORE THAN A TRANSLATIONAL
13 RESEARCH QUESTION. SO IN A WAY WITHIN THE REVIEW WE WERE
14 DOING A LITTLE FISH AND FOWL KIND OF COMPARISON. SO THE
15 SCORES, IN GENERAL, FOR THE PHYSICIAN SCIENTISTS WERE
16 LOWER.

17 CHAIRMAN KLEIN: DR. OLSON.

18 DR. OLSON: I JUST WANTED TO BRING ONE FURTHER
19 POINT TO EVERYBODY'S ATTENTION. THERE IS AN ERROR
20 ACTUALLY IN ROUND TWO. IN FACT, THERE IS ONLY ONE
21 PHYSICIAN SCIENTIST IN THE SECOND CATEGORY THAT IS
22 RECOMMENDED FOR FUNDING CONSIDERATION. BUT SO NOT THREE,
23 ONLY ONE. SO IN POINT OF FACT, THE NUMBER OF PHYSICIAN
24 SCIENTISTS TOTAL, I BELIEVE, IS LESS THAN WHAT WOULD BE
25 INDICATED IN THAT ROUND. SO I JUST WANTED TO PUT THAT

BARRISTERS' REPORTING SERVICE

1 CORRECTION OUT THERE.

2 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND,
3 AGAIN, WE WILL GO THROUGH EACH OF THESE. JOHN SIMPSON.

4 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
5 TAXPAYER AND CONSUMER RIGHTS. WITHOUT GOING INTO
6 EXECUTIVE SESSION, I THINK YOU CAN ANSWER SOME OF THE
7 QUESTIONS ABOUT THESE BY REFERRING TO THE PUBLIC
8 SUMMARIES, CAN YOU NOT?

9 CHAIRMAN KLEIN: THE PUBLIC SUMMARIES ARE AN
10 ADDITIONAL SOURCE. WHAT WE HAVE TRADITIONALLY DONE AND
11 WILL DO TODAY, SINCE THERE'S A REQUEST FOR EXECUTIVE
12 SESSION, IS HAVE THE EXECUTIVE SESSION. ALL OF THOSE
13 PUBLIC COMMENTS RELATED TO THE PUBLIC SUMMARIES AND OTHER
14 POLICY OBSERVATIONS, AS JEFF SHEEHY HAS JUST MENTIONED IN
15 TERMS OF THE SCORING PATTERNS, WILL ALL BE BROUGHT UP
16 WHEN WE GO THROUGH AND LOOK AT GRANTS FOR APPROVAL. SO
17 WE HAVE CONSOLIDATED ALL OF THAT INFORMATION AT ONE TIME
18 IN MAKING A FULLY INFORMED DECISION. SO WE'RE GOING --

19 DR. POMEROY: ONE MORE QUESTION. FOR THE TIER
20 3, COULD WE -- CAN YOU POINT OUT AGAIN WHICH ARE
21 PHYSICIAN SCIENTISTS IN LIGHT OF YOUR LAST COMMENT OF THE
22 UNDER REPRESENTATION, PERHAPS, OF PHYSICIAN SCIENTISTS?

23 DR. OLSON: THE BOLD TEXT.

24 DR. POMEROY: CAN YOU READ OFF THE NUMBERS
25 BECAUSE WE DON'T HAVE THE BOLD ON OUR VERSION.

BARRISTERS' REPORTING SERVICE

1 DR. OLSON: APPLICATIONS 560, APPLICATION 573,
2 APPLICATION 534, APPLICATION 558, APPLICATION 551,
3 APPLICATION 541. THAT IS IT.

4 CHAIRMAN KLEIN: THANK YOU. WE'RE GOING TO
5 ADJOURN TO EXECUTIVE SESSION. ARE WE DOING EXECUTIVE
6 SESSION IN THIS ROOM? WE'RE DOING EXECUTIVE SESSION IN
7 THIS ROOM.

8 MR. SIMPSON: IS EXECUTIVE SESSION JUST FOR THE
9 PURPOSE OF THESE GRANTS, OR WILL YOU BE DOING OTHER
10 EXECUTIVE SESSION BUSINESS AT THIS POINT?

11 CHAIRMAN KLEIN: THIS IS JUST FOR THE PURPOSES
12 OF LOOKING AT PROPRIETARY INFORMATION. IN FACT, TAMAR
13 PACHTER, WOULD YOU LIKE TO RECITE THE PROVISIONS UNDER
14 WHICH WE'RE ADJOURNING INTO EXECUTIVE SESSION? WE WILL
15 DO A LATER EXECUTIVE SESSION DEALING WITH PERSONNEL AND
16 OTHER ITEMS FOR WHICH EXECUTIVE SESSION IS APPROPRIATE.

17 MS. PACHTER: WE ARE GOING INTO EXECUTIVE
18 SESSION TO DISCUSS CONFIDENTIAL INTELLECTUAL PROPERTY OR
19 WORK PRODUCT AND PREPUBLICATION CONFIDENTIAL SCIENTIFIC
20 RESEARCH OR DATA RELATING TO THE NEW FACULTY AWARD
21 APPLICATIONS. SO WE CAN'T DISCUSS ANYTHING ELSE BUT THAT
22 IN EXECUTIVE SESSION.

23 THE CITATION IS TO HEALTH AND SAFETY CODE
24 SECTION 125290.30(D)(3)(B) AND (C).

25 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU. AND IT

BARRISTERS' REPORTING SERVICE

1 APPEARS THAT WE DON'T HAVE A LARGE NUMBER OF ITEMS. ARE
2 WE GOING TO HAVE LUNCH DURING THIS EXECUTIVE SESSION,
3 STAFF?

4 MS. KING: NO.

5 CHAIRMAN KLEIN: NO. SO IS A REASONABLE
6 ESTIMATE 40 MINUTES, MAYBE 30 MINUTES, 30 TO 40 MINUTES?
7 RECONVENE IN 30 TO 40 MINUTES. AND WE'LL TRY AND START
8 THIS IMMEDIATELY. SO IF EVERYONE WHO IS NOT INVOLVED IN
9 THE EXECUTIVE SESSION COULD PLEASE TAKE A BREAK.

10 (THE BOARD THEN WENT INTO EXECUTIVE
11 SESSION, NOT REPORTED NOR HEREIN TRANSCRIBED.)

12 CHAIRMAN KLEIN: WE ARE RECONVENING IN THE
13 PUBLIC SESSION TO PROCEED WITH THE NEW FACULTY AWARDS.
14 DR. MURPHY, WOULD YOU LIKE TO GIVE US GUIDANCE OF HOW YOU
15 WOULD LIKE TO PROCEED.

16 DR. MURPHY: I THINK AFTER THE CAMERA SESSION,
17 WE ARE READY TO PUT BACK ONTO THE SCREEN THE SCORES AND
18 TO OPEN DISCUSSION TO ANY GRANTS THAT YOU FEEL IS
19 NECESSARY IN PUBLIC SESSION.

20 CHAIRMAN KLEIN: ALL RIGHT. FIRST OF ALL, IN
21 LOOKING AT THE RECOMMENDED FOR FUNDING CATEGORY, IS THERE
22 A MOTION AMONG THIS GROUP TO ADVANCE FOR FUNDING ANY
23 PORTION OF TIER 1?

24 MS. PACHTER: EXCUSE ME, CHAIRMAN KLEIN. TO
25 MAKE THIS EASIER, I STRONGLY SUGGEST THAT YOU MOVE

BARRISTERS' REPORTING SERVICE

1 APPLICATIONS INDIVIDUALLY BEFORE CONSIDERING APPLICATIONS
2 AS A BLOCK. SO --

3 CHAIRMAN KLEIN: WELL TAKEN, COUNSEL.

4 MS. PACHTER: I SUGGEST THAT YOU ENTERTAIN
5 MOTIONS TO EITHER MOVE INDIVIDUAL APPLICATIONS OUT OF
6 TIER 1 OR TO MOVE APPLICATIONS FROM TIER 2 OR TIER 3 INTO
7 TIER 1.

8 CHAIRMAN KLEIN: APPRECIATE THAT. LET US FOR
9 BENEFIT OF THE PUBLIC AND FOR THE BOARD AT THIS POINT
10 JUST REMIND EVERYONE THAT IN ANY ACTIONS, WE HAVE FIRST
11 ASK -- BEFORE ANY MOTIONS OR ANY ACTIONS, WE'LL ASK WHAT
12 THE CONFLICTED PARTIES ARE. ADDITIONALLY, MEMBERS IN
13 VOTING WILL STATE THAT THEY ARE VOTING FOR OR AGAINST
14 ONLY THOSE ITEMS THAT THEY ARE NOT IN CONFLICT OR ARE NOT
15 ABSTAINING SO THAT WE MAKE IT CLEAR ON THE RECORD ON A
16 ROLL CALL VOTE THE NATURE OF THE EXACT AND PRECISE VOTE
17 THAT WAS TAKEN TO AVOID ANY CONFLICTS OR APPEARANCE OF
18 CONFLICTS.

19 ADDITIONALLY, EVERY MEMBER HAS BEEN GIVEN A
20 LIST OF ANY CONFLICTS THEY HAVE, AND THOSE LISTS ARE
21 MONITORED BY COUNSEL AND BY STAFF AS A DUAL SYSTEM TO
22 MAKE CERTAIN THAT WE DON'T HAVE INADVERTENT ISSUES THAT
23 ARI SE.

24 SO IN ADVANCING THIS QUESTION, DR. POMEROY.

25 DR. POMEROY: I WOULD LIKE TO MOVE THAT WE

BARRISTERS' REPORTING SERVICE

1 REVEAL THE SCORES FOR THE TWO IN TIER 2 THAT WE DON'T
2 HAVE AVAILABLE TO US SO THAT WE CAN MAKE A DECISION ABOUT
3 WHETHER THEY NEED -- THEY SHOULD BE MOVED.

4 CHAIRMAN KLEIN: OKAY. IS THERE A SECOND FOR
5 THAT MOTION?

6 MS. GIBBONS: I SECOND.

7 CHAIRMAN KLEIN: MS. GIBBONS IS THE SECOND FOR
8 THAT MOTION. IS THERE DISCUSSION ON THAT MOTION? AND
9 COULD THE STAFF PLEASE TELL US WHO WOULD BE IN CONFLICT
10 BEFORE WE DO THAT DISCUSSION?

11 MS. PACTER: SO WE'RE TALKING ABOUT THE SCORES
12 FOR APPLICATIONS 538 AND 537. THERE ARE NO RECUSALS ON
13 537. THE RECUSALS ON 538 ARE BENNETT AND LANSING.

14 CHAIRMAN KLEIN: OKAY. AND STAFF, TO GIVE US A
15 BASIS FOR THIS DISCUSSION, WOULD YOU LIKE TO GIVE US A
16 QUICK --

17 MS. PACTER: ALL WE'RE DOING IS JUST A MOTION
18 TO REVEAL THE SCORES.

19 CHAIRMAN KLEIN: I UNDERSTAND THAT. SO THAT
20 THEY SUBSTANTIVELY ARE REMINDED OF THE SUBJECT OF THESE
21 MOTIONS, STAFF, COULD YOU JUST REMIND US IN VERY SHORT
22 ORDER THE TOPICS WE'RE DEALING WITH HERE?

23 DR. OLSON: APPLICATION 538, WHICH WAS ONE OF
24 THE ONES THAT INFORMATION IS BEING REQUESTED OF, HAS THE
25 TITLE OF "ES-DERIVED CELLS FOR THE TREATMENT OF

BARRISTERS' REPORTING SERVICE

1 ALZHEIMER' S D I SEASE." APPLICATION NO. 537, WHICH IS THE
2 OTHER SUBJECT APPLICATION, HAS THE TITLE "INVESTIGATION
3 OF THE POTENTIAL OF MOUSE EMBRYONIC STEM CELLS TO DEVELOP
4 INTO NEUROENDOCRINE CELLS IN VITRO."

5 CHAIRMAN KLEIN: OKAY. WOULD ANY MEMBER OF THE
6 COMMITTEE LIKE ADDITIONAL INFORMATION BEFORE MOVING
7 FORWARD TO PUBLIC COMMENT? OS STEWARD.

8 DR. STEWARD: JUST PROCEDURALLY, IT HAS BEEN
9 THE PRACTICE NOT TO REVEAL THE SCORES OF GRANTS THAT WERE
10 NOT EVENTUALLY MOVED INTO THE FUNDING RANGE. AND I JUST
11 WONDER IF THIS MOTION COULD BE TABLED UNTIL WE CONSIDER
12 SOME OF THE OTHER GRANTS THAT WE ALREADY KNOW ARE HIGHER
13 IN THE LIST. IS THAT A -- IS THAT APPROPRIATE?

14 CHAIRMAN KLEIN: IT'S APPROPRIATE TO ASK THE
15 MAKER OF THE MOTION AND THE SECOND IF THEY'D LIKE TO
16 PROCEED IN THAT MANNER.

17 DR. POMEROY: I NEED TO KNOW THE SCORES TO MAKE
18 AN ASSESSMENT.

19 CHAIRMAN KLEIN: OKAY. SO THE POSITIONS OF THE
20 MEMBERS HAVE BEEN STATED. ANY ADDITIONAL COMMENT BY
21 MEMBERS? OKAY. PUBLIC COMMENT ON THESE, ON THIS
22 QUESTION? THIS IS JUST ON THE QUESTION OF WHETHER THE
23 SCORES ARE TO BE DISCLOSED.

24 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
25 TAXPAYER AND CONSUMER RIGHTS. WE BELIEVE THAT YOU SHOULD

BARRISTERS' REPORTING SERVICE

1 REVEAL ALL OF THE SCIENTIFIC SCORES FOR ALL OF THEM SO
2 WE, OF COURSE, SUPPORT REVEALING TWO OF THEM. THANK YOU.

3 CHAIRMAN KLEIN: IT'S NICE TO HAVE YOU IN
4 SUPPORT, MR. SIMPSON.

5 MR. SIMPSON: WHEN IT'S THE RIGHT THING, I DO
6 THAT.

7 CHAIRMAN KLEIN: ALL RIGHT. I'D LIKE --

8 MS. PACHTER: MR. CHAIRMAN, I THINK WE SHOULD,
9 IF IT'S ALL RIGHT WITH DR. POMEROY, THAT WE SHOULD DO
10 THIS AS SEPARATE MOTIONS SO WE CAN HAVE THE PEOPLE WHO
11 ARE CONFLICTED ON 538 NOT VOTE AND THEN VOTE ON 537. SO
12 I WILL RESTATE THE MOTION FOR THE CHAIR. AND THE MOTION
13 IS TO REVEAL THE SCORE FOR APPLICATION NO. 537 FIRST.
14 AND THE RECUSALS ON 537 ARE NONE. EVERYONE IS QUALIFIED
15 TO VOTE.

16 CHAIRMAN KLEIN: COUNSEL, ON THIS PARTICULAR
17 MOTION, IT IS BETTER TO PROCEED IN THIS MANNER RATHER
18 THAN STATE THEY'RE VOTING IN FAVOR EXCEPT FOR THOSE IN
19 WHICH THEY'RE IN CONFLICT?

20 MS. PACHTER: YES. YOU CAN DO A VOICE VOTE.

21 CHAIRMAN KLEIN: FIRST OF ALL, I NEED TO CHECK
22 WITH THE SECOND IF WE CAN SWITCH THIS INTO TWO MOTIONS.
23 IS THE SECOND AGREED THAT WE CAN MOVE THIS INTO TWO
24 MOTIONS?

25 MS. GIBBONS: YES.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU.

2 MR. HARRISON: CHAIRMAN KLEIN, THIS CAN BE DONE
3 AS A VOICE VOTE AS WELL SINCE THERE ARE NO CONFLICTS.

4 CHAIRMAN KLEIN: ON THE FIRST OF THESE?

5 MS. PACHTER: 537, YES.

6 CHAIRMAN KLEIN: SO ALL IN FAVOR? OPPOSED?
7 ALL RIGHT. THAT MOTION PASSES.

8 LET'S GO TO THE SECOND ITEM. IN THIS CASE DO
9 WE NEED A ROLL CALL?

10 MS. PACHTER: YES.

11 MR. SHEEHY: I ACTUALLY LIKE THIS ONE. WOULD
12 THE MAKER AND THE SECOND KIND OF ACCEPT A FRIENDLY
13 AMENDMENT TO CHANGE IT TO MOVE IT INTO TIER 1?

14 CHAIRMAN KLEIN: THEY WANT TO KNOW THE SCORE
15 BEFORE THEY DISCUSS MOVING IT.

16 MR. SHEEHY: WE WOULD JUST NOT DEAL WITH IT IF
17 IT HAD A BAD SCORE?

18 CHAIRMAN KLEIN: WELL, NO. YOU CAN HAVE
19 ANOTHER MOTION.

20 MR. SHEEHY: WELL, THERE WILL BE A MOTION TO
21 MOVE IT INTO TIER 1, SO I WAS JUST TRYING TO SAVE TIME.

22 CHAIRMAN KLEIN: OKAY. SO THANK YOU. ANY
23 ADDITIONAL BOARD COMMENTS? ANY PUBLIC COMMENTS ON THIS
24 ITEM? SEEING NO PUBLIC COMMENTS ON THIS ITEM, ROLL CALL
25 VOTE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: RICARDO AZZI Z.
2 DR. AZZI Z: FOR.
3 MS. KING: ROBERT BIRGENEAU.
4 DR. BIRGENEAU: YES.
5 MS. KING: FLOYD BLOOM.
6 DR. BLOOM: YES.
7 MS. KING: DAVID BRENNER.
8 DR. BRENNER: YES.
9 MS. KING: MARCY FEIT.
10 MS. FEIT: YES.
11 MS. KING: MICHAEL FRIEDMAN.
12 DR. FRIEDMAN: YES.
13 MS. KING: LEEZA GIBBONS.
14 MS. GIBBONS: YES.
15 MS. KING: MICHAEL GOLDBERG.
16 MR. GOLDBERG: YES.
17 MS. KING: FRANK MARKLAND.
18 DR. MARKLAND: YES.
19 MS. KING: BOB KLEIN.
20 CHAIRMAN KLEIN: YES.
21 MS. KING: GERALD LEVEY.
22 DR. LEVEY: YES.
23 MS. KING: TED LOVE.
24 DR. LOVE: YES.
25 MS. KING: ED PENHOET.

BARRISTERS' REPORTING SERVICE

1 DR. PENHOET: YES.
2 MS. KING: CLAIRE POMEROY.
3 DR. POMEROY: YES.
4 MS. KING: FRANCISCO PRIETO.
5 DR. PRIETO: YES.
6 MS. KING: DUANE ROTH.
7 MR. ROTH: YES.
8 MS. KING: JEFF SHEEHY.
9 MR. SHEEHY: YES.
10 MS. KING: JONATHAN SHESTACK.
11 MR. SHESTACK: YES.
12 MS. KING: OSWALD STEWARD.
13 DR. STEWARD: YES.
14 MS. KING: JANET WRIGHT.
15 DR. WRIGHT: YES.
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BARRISTERS' REPORTING SERVICE

1 MS. KING: THAT MOTION CARRIES.

2 CHAIRMAN KLEIN: COULD WE PLEASE SEE THE
3 SCORES? ALL RIGHT. SO AT THIS POINT COUNSEL HAS
4 INSTRUCTED US THAT, TO THE EXTENT WE WISH TO MOVE ANY
5 ITEM INTO TIER 1 OR ANY ITEM OUT OF TIER 1, THAT WE
6 SHOULD PROCEED ON AN INDIVIDUAL BASIS. SO WOULD
7 ANYONE -- DOES ANYONE WANT TO MAKE A MOTION ON EITHER OF
8 THOSE OPPORTUNITIES?

9 MR. ROTH: I'D LIKE TO MOVE THAT -- I'D LIKE TO
10 MAKE A MOTION ACTUALLY TO MOVE FOUR GRANTS THAT ARE IN
11 TIER 2 INTO TIER 1.

12 MS. PACTER: MR. ROTH, WE'RE GOING TO HAVE
13 HAVE TO DO THOSE INDIVIDUALLY, I'M SORRY, TO ACCOUNT FOR
14 THE CONFLICTS.

15 MR. ROTH: ALL RIGHT. SO I'LL TAKE THE FIRST
16 ONE, 536, A MOTION TO MOVE IT INTO TIER 1.

17 CHAIRMAN KLEIN: OKAY. IS THERE A SECOND?

18 DR. LOVE: SECOND.

19 CHAIRMAN KLEIN: THERE'S A SECOND FROM TED
20 LOVE. NEITHER OF THOSE ARE IN CONFLICT; IS THAT CORRECT?

21 MS. KING: CORRECT.

22 CHAIRMAN KLEIN: COULD YOU PLEASE STATE THE
23 CONFLICTS?

24 MS. PACTER: CONFLICTS ARE BLOOM AND BRENNER.

25 CHAIRMAN KLEIN: THANK YOU. COMMENTS FROM THE

BARRISTERS' REPORTING SERVICE

1 BOARD ON THE MOTION?

2 DR. POMEROY: CAN I GET A CLARIFICATION? DO
3 THEY NEED TO -- DO GRANTS NEED TO BE OFFICIALLY MOVED
4 INTO TIER 1 IN ORDER TO BE FUNDED, OR CAN WE LEAVE IT IN
5 TIER 2 AND FUND IT?

6 CHAIRMAN KLEIN: THEY NEED TO BE MOVED INTO
7 TIER 1 FOR FUNDING.

8 DR. POMEROY: OKAY.

9 CHAIRMAN KLEIN: OKAY. THANK YOU. ADDITIONAL
10 COMMENTS? SEEING NONE, ARE THERE COMMENTS FROM THE
11 PUBLIC?

12 MR. REED: THIS, I THINK, IS A REALLY IMPORTANT
13 ONE TO MOVE BECAUSE IF THIS IS THE IPS, THEN WE NEED TO
14 NOT MISS A CHANCE TO BE WITH SOMETHING WHICH THE PRESS IS
15 DESCRIBING AS CUTTING EDGE SCIENCE. I THINK THIS IS AN
16 IMPORTANT ONE.

17 CHAIRMAN KLEIN: THANK YOU.

18 DR. PRIETO: FOR SCIENTIFIC STAFF OR PERHAPS
19 FOR DR. MURPHY, WHETHER THE EXPERIENCE OF THE YAMANAKA
20 PAPER, THE THOMPSON PAPER SHED ANY LIGHT ON THE
21 LIKELIHOOD OF SUCCESS FOR THIS PARTICULAR GRANT?

22 DR. OLSON: IN THIS CASE -- WELL, I WOULD SAY
23 IT PROBABLY INCREASES THE FEASIBILITY.

24 DR. PRIETO: THANK YOU.

25 DR. OLSON: BUT IF YOU WANT TO HEAR FROM THE

BARRISTERS' REPORTING SERVICE

1 SCIENCE OFFICER PER SE ABOUT THE APPLICATION, THAT WOULD
2 BE APPROPRIATE.

3 DR. MURPHY: FRANCISCO, I THINK THAT THERE IS
4 SO MUCH TO LEARN NOW ABOUT IPS CELLS THAT ANY KIND OF
5 GOOD SCIENCE THAT WE CAN FUND TO SUPPORT THAT IS GOING TO
6 BRANCH OUT INTO AREAS THAT NONE OF US REALLY UNDERSTAND
7 AT THIS POINT. SO, NO, I THINK THAT THIS IS
8 COMPLEMENTARY TO WHAT HAS BEEN FOUND AND WILL BE VERY
9 HELPFUL TO THE ENTIRE EFFORT IN TERMS OF THE FUTURE OF
10 IPS WITHIN CIRM.

11 CHAIRMAN KLEIN: AND, KUMAR, WOULD YOU LIKE TO
12 MAKE A SUPPLEMENTAL COMMENT OF ANY KIND ON THE MERITS OF
13 THIS PARTICULAR APPLICATION?

14 DR. KUMAR: YES, I WOULD. THIS PARTICULAR
15 APPLICATION IS FOR SMALL MOLECULE SCREENING AS WE'VE BEEN
16 DISCUSSING. AND I DO NOTE THAT WITH THE ADVANCES IN
17 INDUCED PLURIPOTENT STEM CELL RESEARCH THAT DO INVOLVE
18 THIS GENETIC COCKTAIL OF FACTORS, THIS REPRESENTS A VERY
19 IMPORTANT LEAP IN THE UNDERSTANDING OF REPROGRAMMING STEM
20 CELLS BECAUSE IT IS A NONGENETIC MODIFICATION-BASED
21 APPROACH.

22 CHAIRMAN KLEIN: VERY SIGNIFICANT. ADDITIONAL
23 COMMENTS FROM THE BOARD? ANY ADDITIONAL PUBLIC COMMENT?
24 SEEING NONE, CAN WE CALL THE ROLL.

25 MS. KING: RICARDO AZZIZ.

BARRISTERS' REPORTING SERVICE

- 1 DR. AZZIZ: FOR.
- 2 MS. KING: ROBERT BIRGENEAU.
- 3 DR. BIRGENEAU: YES.
- 4 MS. KING: ALBERT BENNETT.
- 5 DR. BENNETT: YES.
- 6 MS. KING: MARCY FEIT.
- 7 MS. FEIT: YES.
- 8 MS. KING: MICHAEL FRIEDMAN.
- 9 DR. FRIEDMAN: YES.
- 10 MS. KING: LEEZA GIBBONS.
- 11 MS. GIBBONS: YES.
- 12 MS. KING: MICHAEL GOLDBERG.
- 13 MR. GOLDBERG: YES.
- 14 MS. KING: FRANK MARKLAND.
- 15 DR. MARKLAND: YES.
- 16 MS. KING: BOB KLEIN.
- 17 CHAIRMAN KLEIN: YES.
- 18 MS. KING: SHERRY LANSING. GERALD LEVEY.
- 19 DR. LEVEY: YES.
- 20 MS. KING: TED LOVE.
- 21 DR. LOVE: YES.
- 22 MS. KING: ED PENHOET.
- 23 DR. PENHOET: YES.
- 24 MS. KING: CLAIRE POMEROY.
- 25 DR. POMEROY: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: FRANCISCO PRIETO.

2 DR. PRIETO: YES.

3 MS. KING: DUANE ROTH.

4 MR. ROTH: YES.

5 MS. KING: JEFF SHEEHY.

6 MR. SHEEHY: YES.

7 MS. KING: JONATHAN SHESTACK.

8 MR. SHESTACK: YES.

9 MS. KING: OSWALD STEWARD.

10 DR. STEWARD: YES.

11 MS. KING: JANET WRIGHT.

12 DR. WRIGHT: YES.

13 MS. KING: THAT MOTION CARRIES.

14 CHAIRMAN KLEIN: OKAY. THANK YOU VERY MUCH.

15 AND COULD STAFF LET SHERRY KNOW WHERE WE ARE IN THIS

16 PROCESS SO THAT SHE, IF SHE CAN REENTER, HAS THAT

17 OPPORTUNITY AT THIS MOMENT.

18 ALL RIGHT. SO THAT MOTION CARRIED; IS THAT

19 CORRECT? YES. CAN WE MOVE TO THE NEXT ITEM. IS THERE A

20 MOTION ON THE NEXT ITEM?

21 MR. ROTH: I WOULD MOVE ITEM 540 INTO TIER 1.

22 CHAIRMAN KLEIN: OKAY. IS THERE A SECOND?

23 DR. LEVEY: SECOND.

24 CHAIRMAN KLEIN: SECOND, DR. LEVEY. COMMENTS

25 FROM THE BOARD AFTER THE RECUSALS, PLEASE.

BARRISTERS' REPORTING SERVICE

1 MS. PACTER: THE RECUSALS ARE FEIT, LANSING,
2 AND SHEEHY.

3 CHAIRMAN KLEIN: OKAY. COMMENTS FROM THE
4 BOARD? COMMENTS FROM THE PUBLIC? ROLL CALL.

5 MS. KING: RICARDO AZZIZ.

6 DR. AZZIZ: FOR.

7 MS. KING: ROBERT BIRGENEAU.

8 DR. BIRGENEAU: YES.

9 MS. KING: FLOYD BLOOM.

10 DR. BLOOM: YES.

11 MS. KING: DAVID BRENNER.

12 DR. BRENNER: YES.

13 MS. KING: ALBERT BENNETT.

14 DR. BENNETT: YES.

15 MS. KING: MICHAEL FRIEDMAN.

16 DR. FRIEDMAN: YES.

17 MS. KING: LEEZA GIBBONS.

18 MS. GIBBONS: YES.

19 MS. KING: MICHAEL GOLDBERG.

20 MR. GOLDBERG: YES.

21 MS. KING: FRANK MARKLAND.

22 DR. MARKLAND: YES.

23 MS. KING: BOB KLEIN.

24 CHAIRMAN KLEIN: YES.

25 MS. KING: GERALD LEVEY.

BARRISTERS' REPORTING SERVICE

1 DR. LEVEY: YES.

2 MS. KING: TED LOVE.

3 DR. LOVE: YES.

4 MS. KING: ED PENHOET.

5 DR. PENHOET: YES.

6 MS. KING: CLAIRE POMEROY.

7 DR. POMEROY: YES.

8 MS. KING: FRANCISCO PRIETO.

9 DR. PRIETO: YES.

10 MS. KING: DUANE ROTH.

11 MR. ROTH: YES.

12 MS. KING: JONATHAN SHESTACK.

13 MR. SHESTACK: YES.

14 MS. KING: OSWALD STEWARD.

15 DR. STEWARD: YES.

16 MS. KING: JANET WRIGHT.

17 DR. WRIGHT: YES.

18 MS. KING: THAT MOTION CARRIES.

19 CHAIRMAN KLEIN: THANK YOU. THE NEXT ITEM.

20 MR. ROTH: MR. CHAIRMAN, I WONDER IF I CAN ASK

21 A QUESTION ABOUT GRANT 550 BEFORE I MAKE ANY MOTION ON

22 IT. CAN WE GET SOME SCIENTIFIC COMMENT ON THAT FROM BOTH

23 THE SCIENTIFIC STANDPOINT.

24 CHAIRMAN KLEIN: THAT'S 550?

25 MR. ROTH: THAT'S RIGHT. IT'S IN THE TOP TIER

BARRISTERS' REPORTING SERVICE

1 RIGHT NOW AT A SCORE OF 61.

2 CHAIRMAN KLEIN: QUESTION IS IN ORDER.

3 MR. ROTH: SO COULD WE GET THE SCIENTIFIC
4 REVIEW?

5 CHAIRMAN KLEIN: QUESTION REQUESTED IS BEFORE
6 WE GO INTO THIS, CONFLICTS ON THAT ITEM, PLEASE.

7 MS. PACTER: ON 550, AZZIZ, LANSING, AND
8 LEVEY.

9 CHAIRMAN KLEIN: THANK YOU. IF WE COULD HAVE
10 THE SCIENTIFIC OFFICER DO A SHORT PRESENTATION ON 550 TO
11 GIVE US THE SUBSTANCE OF THE MERITS ON THIS GRANT.

12 MR. ROTH: PARTICULARLY WITH RESPECT TO WHY IT
13 WAS MOVED UP.

14 CHAIRMAN KLEIN: QUESTION IS WHY WAS IT MOVED
15 UP PROGRAMMATICALLY.

16 DR. OLSON: DR. HARI WILL ADDRESS APPLICATION
17 550.

18 CHAIRMAN KLEIN: THANK YOU.

19 DR. HARI: SO BRIEFLY, THIS IS A STUDY ON
20 EPIGENETIC MODIFICATIONS; THAT IS, HERITABLE CHANGES NOT
21 ASSOCIATED WITH SPECIFIC DNA CHANGES, AND THE EFFECTS OF
22 THOSE MODIFICATIONS ON TUMOROGENESIS IN STEM CELL
23 DIFFERENTIATION. THERE'S A LARGE AMOUNT OF WORK PROPOSED
24 THAT HAS STRONG COMPONENTS, BUT THE RELEVANCE TO THE STEM
25 CELL FIELD IS MINIMAL.

BARRISTERS' REPORTING SERVICE

1 OF THE THREE AIMS PROPOSED, ONLY ONE OF THOSE
2 AIMS UTILIZES STEM CELLS. HOWEVER, THIS PRINCIPAL
3 INVESTIGATOR IS A RISING STAR AND HAS INTEREST IN
4 TRANSLATIONAL RESEARCH, AMAZING TRAINING, AND AN AMAZING
5 PUBLICATION RECORD. THE INSTITUTION IS STRONG AND
6 SUPPORTIVE OF JUNIOR FACULTY AND COMMITTED TO STEM CELL
7 RESEARCH.

8 SPECIFICALLY, WITH RESPECT TO WHY THIS
9 APPLICATION WAS MOVED UP, THE MOTION WAS BASED ON A
10 DISCUSSANT NOTING THAT THIS IS A PHYSICIAN SCIENTIST THAT
11 IS A RISING STAR WITH EXCELLENT TRAINING AND AN INTEREST
12 IN TRANSLATIONAL RESEARCH AGAIN. AND ANOTHER DISCUSSANT
13 SUPPORTED THIS MOTION BECAUSE THE APPLICANT WITHIN THOSE
14 APPLICATIONS THAT WERE IN TIER 2 FOLLOWING THE SCIENTIFIC
15 REVIEW WAS THE STRONGEST OF THE PHYSICIAN SCIENTISTS.

16 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND JEFF
17 SHEEHY.

18 MR. SHEEHY: AGAIN, THE PHYSICIAN SCIENTIST AS
19 A RULE SCORED LOWER. THERE WASN'T A LOT OF NOVELTY IN
20 THE SCIENCE. AND WHAT THIS PERSON IS DOING IS ALSO, I
21 FOUND INTERESTING FROM AN HIV POINT OF VIEW, IT'S
22 MANIPULATION OF THESE CELLS. THIS IS A CANCER
23 APPLICATION, BUT THIS WOULD HAVE AN APPLICATION IN HIV,
24 IF I REMEMBER THE APPLICATION. IS THAT THE ONE -- I'M
25 CORRECT, THIS IS THE ONE WHERE THEY'RE DOING GENETIC

BARRISTERS' REPORTING SERVICE

1 MANIPULATION OF HEMATOPOETIC STEM CELLS.

2 DR. HARI: THIS IS ACTUALLY AN APPLICATION THAT
3 HAS TO DO WITH EPIGENETIC MODIFICATIONS IN CANCER CELL
4 LINES, NOT NECESSARILY --

5 MR. SHEEHY: I'M CONFUSED WITH A DIFFERENT ONE.
6 I APOLOGIZE. THEY WERE BOTH VERY STRONG. I JUST THINK
7 THAT IT REFLECTS THE GENERAL DIFFICULTY OF PHYSICIAN
8 SCIENTISTS IN GETTING INTO TIER 1.

9 MR. ROTH: IT'S STRIKING THE ONE SENTENCE, THAT
10 THE APPLICANT IS MUCH STRONGER THAN THE PROPOSAL.

11 MR. SHEEHY: IF YOU REMEMBER, IT'S A
12 THREE-LEGGED STOOL. SO IT'S THE APPLICANT, THE
13 INSTITUTION, AND THE PROPOSAL. AND THE PHYSICIAN
14 SCIENTISTS ALMOST ALWAYS FARED WORSE ON THE PROPOSAL. SO
15 THAT WASN'T ALWAYS REFLECTED, BY THE WAY, IN THE SCORE OF
16 ALL THREE LEGS. THERE WAS A LITTLE BIAS TOWARDS HAVING A
17 GOOD SCIENTIFIC PROPOSAL.

18 MR. ROTH: SO WITH THAT, I'M NOT GOING TO MAKE
19 A MOTION ON THAT, BUT MOTION TO MOVE 535 INTO TIER 1.

20 CHAIRMAN KLEIN: OKAY. THERE'S A MOTION TO
21 MOVE 535 INTO TIER 1. IS THERE A SECOND?

22 MR. SHEEHY: SECOND.

23 CHAIRMAN KLEIN: SECOND FROM JEFF SHEEHY.
24 CONFLICTS?

25 MS. PACHTER: 535, GOLDBERG.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: IS THAT THE ONLY CONFLICT?

2 MS. PACHTER: THAT IS THE ONLY CONFLICT.

3 CHAIRMAN KLEIN: THANK YOU. WOULD THE MEMBERS
4 LIKE A PRECIS OF THE APPLICATION? YES, DR. AZZIZ.

5 DR. AZZIZ: I WOULD SINCE I'M GOING TO BE FIRST
6 ON THE ROLL CALL.

7 CHAIRMAN KLEIN: DR. OLSON.

8 DR. OLSON: DR. HARI WILL ADDRESS THAT
9 APPLICATION.

10 DR. HARI: THIS APPLICATION HAS TO DO WITH
11 BIOENGINEERING AND ENGINEERING OPTICALLY ACTIVATABLE
12 PROGENITOR CELLS AND USING THEM TO STIMULATE THE DIRECTED
13 DIFFERENTIATION OF NEURONS. SPECIFICALLY, THE APPLICANT
14 WILL DEVELOP AND DISSEMINATE THE TECHNOLOGY IN AN ATTEMPT
15 TO REGULATE SIGNALING PATHWAYS WITHIN THE CELL.

16 THE AIMS ARE TO DEVELOP HARDWARE AND SOFTWARE
17 FOR ROBOTIC SYSTEMS TO PROMOTE THIS DIFFERENTIATION AND
18 ALSO TO STUDY DIFFERENTIATION IN VIVO AFTER
19 TRANSPLANTATION OF THESE ENGINEERED CELLS AND TRY TO
20 DEVELOP THE PRECISE CONTROL OF THE SYSTEM
21 POST-TRANSPLANTATION.

22 THIS WAS CONSIDERED BOLD AND IMAGINATIVE
23 TECHNOLOGY. AND, IN FACT, ONE COMMENT FROM THE REVIEWERS
24 IS THAT THERE'S A FEARLESS COMBINATION OF ENGINEERING AND
25 STEM CELL BIOLOGY WITHIN THIS PROPOSAL; HOWEVER, THE

BARRISTERS' REPORTING SERVICE

1 WEAKNESS IS THAT THE BIOLOGICAL UNDERPINNINGS ARE WEAK,
2 AND IT MAKES THE LIKELIHOOD OF SUCCESS UNCERTAIN.

3 SO THE PI, WHILE ACKNOWLEDGING TECHNICAL
4 PITFALLS ON THE TECHNOLOGICAL SIDE, DOES NOT ACKNOWLEDGE
5 CERTAIN BIOLOGICAL PITFALLS SUCH AS THE TRANSFER OF
6 DIFFERENTIATION PROTOCOLS FROM MOUSE EMBRYONIC STEM CELLS
7 TO HUMAN EMBRYONIC STEM CELLS FOR NEUROGENESIS, WHICH IN
8 THE PAST HAVE NOT PROVEN FRUITFUL. THERE IS NOT
9 SUFFICIENT DETAIL IN THE METHODS REGARDING THESE
10 DIFFERENTIATION PROTOCOLS TO DETERMINE WHETHER THE
11 BIOLOGICAL PLAN MAKES SENSE.

12 CHAIRMAN KLEIN: KUMAR, LET ME ASK YOU. OFTEN,
13 SINCE WE'RE ON CUTTING EDGE ISSUES HERE, WHERE THE AREAS
14 OF BIOLOGY HAD QUESTIONS TO THEM, WE THEN LOOKED TO THE
15 QUALITY OF THE MENTORS AND ADVISORS. WHAT WAS THE
16 STRENGTH OF THE MENTORS AND ADVISERS IN THIS CASE?

17 DR. HARI: IT IS OUTSTANDING. THIS IS A
18 SUPERSTAR PHYSICIAN SCIENTIST. THE RESEARCH PLAN
19 SYNERGIZES IN AN EXCITING WAY WITH THE PI'S CURRENT
20 CLINICAL WORK. THE PERSON IS ALREADY ESTABLISHED AS A
21 LEADING SCIENTIST IN THE FIELD. AND I'LL JUST READ ONE
22 SENTENCE BECAUSE I THINK THIS IS VERY TELLING.

23 THE PRINCIPAL INVESTIGATOR DOES NOT NEED A CIRM
24 AWARD, BUT THE QUESTION IS WHETHER CIRM CAN DO WITHOUT
25 HAVING IN ITS PORTFOLIO ONE OF THE BEST AND BRIGHTEST

BARRISTERS' REPORTING SERVICE

1 YOUNG INVESTIGATORS IN CALIFORNIA AND IN THE COUNTRY.
2 THE INSTITUTION HAS ONE OF THE STRONGEST STEM CELL
3 PROGRAMS IN THE COUNTRY AND AN UNWAVERING COMMITMENT IN
4 DEVELOPING BIOMEDICAL RESEARCH FACULTY IN THE FIELD.

5 CHAIRMAN KLEIN: ALL RIGHT. ADDITIONAL
6 QUESTIONS FROM THE BOARD?

7 DR. PENHOET: ARE ANY OF THE SUPPORTING
8 COLLEAGUES WORKING DIRECTLY WITH THIS INVESTIGATOR, OR
9 ARE THEY JUST PEOPLE WHO HAPPEN TO BE IN THE
10 NEIGHBORHOOD? IS THERE ANY INDICATION OF COLLABORATION
11 ON THE BIOLOGY SIDE SPECIFICALLY?

12 DR. HARI: NOT AS DESCRIBED IN THE PUBLIC
13 SUMMARY. I BELIEVE TO ANSWER THAT QUESTION SPECIFICALLY,
14 WE MAY HAVE TO TAKE IT IN CLOSED SESSION.

15 DR. PENHOET: OKAY.

16 MR. ROTH: ED, I THOUGHT HE TALKED ABOUT
17 MENTORING.

18 CHAIRMAN KLEIN: MENTORING THE PROGRAM, I
19 THOUGHT, WAS REVIEWED AS BEING EXCELLENT. IS THAT NOT
20 CORRECT?

21 DR. HARI: THERE'S A STATEMENT REGARDING THE
22 ENVIRONMENT AND THE PROPOSED RESEARCH. THE PI IS JOINTLY
23 APPOINTED IN TWO DEPARTMENTS. AND THE STATEMENT HERE IS
24 THAT THE REQUIRED SPACE IS IN A HIGHLY COLLABORATIVE
25 SCIENCE AND ENGINEERING ENVIRONMENT WITH STATE-OF-THE-ART

BARRISTERS' REPORTING SERVICE

1 FACILITIES AS WELL AS ADMINISTRATIVE SUPPORT. THE
2 INSTITUTION, IN FACT, HAS COMMITTED TO ALLOWING THIS
3 PRINCIPAL INVESTIGATOR TO ONLY ONE DAY A WEEK CLINICAL
4 COMMITMENT. AND I DON'T NOTE SPECIFIC MENTORING,
5 SPECIFIC DISCUSSION OF MENTORING WITHIN THE PUBLIC
6 SUMMARY.

7 CHAIRMAN KLEIN: IN THE PUBLIC SUMMARY. SO THE
8 QUESTION IS WAS THERE A BACKGROUND DISCUSSION AT THE PEER
9 REVIEW? ALL RIGHT. ADDITIONAL QUESTIONS? PUBLIC
10 COMMENT? SEEING NONE, CAN WE CALL THE ROLL.

11 MS. KING: RICARDO AZZIZ.

12 DR. AZZIZ: FOR.

13 MS. KING: ROBERT BIRGENEAU. FLOYD BLOOM.

14 DR. BLOOM: YES.

15 MS. KING: DAVID BRENNER.

16 DR. BRENNER: YES.

17 MS. KING: ALBERT BENNETT.

18 DR. BENNETT: YES.

19 MS. KING: MARCY FEIT.

20 MS. FEIT: YES.

21 MS. KING: MICHAEL FRIEDMAN.

22 DR. FRIEDMAN: YES.

23 MS. KING: LEEZA GIBBONS.

24 MS. GIBBONS: YES.

25 MS. KING: FRANK MARKLAND.

BARRISTERS' REPORTING SERVICE

1 DR. MARKLAND: YES.

2 MS. KING: BOB KLEIN.

3 CHAIRMAN KLEIN: YES.

4 MS. KING: SHERRY LANSING.

5 MS. LANSING: I'M GOING TO ABSTAIN BECAUSE I

6 WASN'T HERE FOR A LOT OF THE DISCUSSION.

7 MS. KING: GERALD LEVEY.

8 DR. LEVEY: YES.

9 MS. KING: TED LOVE.

10 DR. LOVE: YES.

11 MS. KING: ED PENHOET.

12 DR. PENHOET: YES.

13 MS. KING: CLAIRE POMEROY.

14 DR. POMEROY: YES.

15 MS. KING: FRANCISCO PRIETO.

16 DR. PRIETO: YES.

17 MS. KING: DUANE ROTH.

18 MR. ROTH: YES.

19 MS. KING: JEFF SHEEHY.

20 MR. SHEEHY: YES.

21 MS. KING: JONATHAN SHESTACK.

22 MR. SHESTACK: YES.

23 MS. KING: OS STEWARD.

24 DR. STEWARD: YES.

25 MS. KING: JANET WRIGHT.

BARRISTERS' REPORTING SERVICE

1 DR. WRIGHT: YES.

2 MS. KING: THAT MOTION CARRIES.

3 CHAIRMAN KLEIN: COULD WE GO TO THE NEXT ITEM.

4 MR. ROTH: MY LAST MOTION WILL BE ON 553, AND I
5 WOULD PROPOSE TO MOVE THAT INTO TIER 1.

6 CHAIRMAN KLEIN: 553, IS THERE A SECOND?

7 DR. LOVE: SECOND.

8 CHAIRMAN KLEIN: DR. LOVE. CONFLICTS?

9 MS. PACTER: 553, BRENNER AND MARKLAND.

10 CHAIRMAN KLEIN: OKAY. QUESTIONS FROM THE
11 BOARD, AND WOULD THE BOARD LIKE A PRECIS OF THE
12 APPLICATION?

13 MR. ROTH: YES, PLEASE.

14 CHAIRMAN KLEIN: DUANE ROTH HAS REQUESTED A
15 SUMMARY OF THE APPLICATION.

16 DR. OLSON: DR. GREISHAMMER WILL ADDRESS IT.

17 CHAIRMAN KLEIN: THANK YOU.

18 DR. GRIESHAMMER: APPLICATION 553 IS ENTITLED
19 "MECHANISMS OF NANOG FUNCTION IN HUMAN EMBRYONIC STEM
20 CELLS." AS THE TITLE IMPLIES, THIS PROPOSAL FOCUSES ON
21 THE FUNCTION OF AN IMPORTANT TRANSCRIPTIONAL REGULATOR,
22 NANOG, IN HUMAN EMBRYONIC STEM CELL SELF-RENEWAL. IT'S
23 ALREADY KNOWN THAT THIS TRANSCRIPTION FACTOR IS IMPORTANT
24 FOR CELL RENEWAL AND THAT ITS OVEREXPRESSION CAN ACTUALLY
25 LEAD TO FEEDER INDEPENDENT SELF-RENEWAL OF HUMAN

BARRISTERS' REPORTING SERVICE

1 EMBRYONIC STEM CELLS, SO IT'S CLEARLY AN IMPORTANT
2 MOLECULE.

3 THE CANDIDATE, THEN, PROPOSES TO STUDY THE
4 MOLECULAR MECHANISMS OF HOW THIS MOLECULE FUNCTIONS IN
5 THIS PROCESS. AND SO THE REVIEWERS FELT THAT THIS WAS
6 INDEED A VERY IMPORTANT SUBJECT TO ADDRESS IN THE
7 EMBRYONIC STEM CELL FIELD.

8 SPECIFICALLY, THE CANDIDATE PROPOSES TO PERFORM
9 WHAT'S CALLED A STRUCTURE FUNCTION ANALYSIS OF THIS
10 MOLECULE. AND THE REVIEWERS FELT THAT THE PROPOSAL WAS
11 WELL WRITTEN AND HAS INTERESTING PRELIMINARY DATA;
12 HOWEVER, THEY FELT THAT THE PROPOSAL LACKED INNOVATION,
13 THAT THE EXPERIMENTS THAT WERE PROPOSED WERE PRETTY
14 STANDARD EXPERIMENTS. AND CONSIDERING HOW IMPORTANT THIS
15 MOLECULE IS IN THE FIELD, THEY WERE WORRIED THAT THERE
16 WAS A LOT OF COMPETITION FOR THIS PROJECT. AND IN THIS
17 RESPECT FELT THAT THE REVIEWER HAD NOT A VERY STRONG
18 TRACK RECORD IN THE MOLECULAR BIOLOGY FIELD OR THE HUMAN
19 EMBRYONIC STEM CELL FIELD TO BE COMPETITIVE WITH OTHERS.

20 OTHER CRITICISMS INVOLVED THE FACT THAT THE
21 INVESTIGATOR PROPOSED TO USE PRESIDENTIAL HUMAN EMBRYONIC
22 STEM CELL LINES AND PROPOSES TO USE CERTAIN METHODS FOR
23 INTRODUCING THIS FACTOR INTO CELLS THAT THEY FELT WERE
24 NOT APPROPRIATE REALLY TO GET RELIABLE DATA ON THE
25 FUNCTION OF THIS MOLECULE.

BARRISTERS' REPORTING SERVICE

1 THE INVESTIGATOR DOES HAVE FACULTY MENTORS AND
2 COLLABORATORS LINED UP TO HELP. AND I THINK THIS PRETTY
3 MUCH COVERS THE ASSESSMENT.

4 CHAIRMAN KLEIN: WHAT WAS THE ASSESSMENT OF THE
5 QUALITY OF THE CANDIDATE'S PREPARATION? KNOWING THAT THE
6 CANDIDATE HAD NOT PREVIOUSLY BEEN IN THE STEM CELL AREA,
7 IS THIS -- WHAT WAS THE QUALITY OF THE RECRUITMENT INTO
8 THE STEM CELL AREA OF THIS CANDIDATE?

9 DR. GRIESHAMMER: I DON'T SEE, CERTAINLY NOT IN
10 THE PUBLIC. YOU'RE REFERRING TO MENTORS AND
11 COLLABORATORS?

12 CHAIRMAN KLEIN: NO. AS TO WHETHER THE
13 CANDIDATE, ALTHOUGH NOT BEING STRONG IN THE STEM CELL
14 AREA, WAS THE CANDIDATE STRONG, HAD A STRONG BACKGROUND
15 COMING FROM ANOTHER AREA AND WAS BEING RECRUITED AS A NEW
16 FACULTY INTO THE STEM CELL AREA.

17 DR. GRIESHAMMER: THAT WASN'T SPECIFICALLY
18 DISCUSSED. HOWEVER, THERE ARE STRONG PRELIMINARY DATA.
19 AND THIS PERSON HAS CLEARLY ALREADY DONE SOME WORK IN
20 THIS FIELD THAT THIS PERSON WAS ABLE TO PRESENT IN THE
21 PRELIMINARY DATA OF THIS APPLICATION.

22 CHAIRMAN KLEIN: SO THERE'S STRONG PRELIMINARY
23 DATA, AND YET THERE'S A QUESTION ABOUT THE COMPETITION IN
24 THE AREA AND WHETHER THEY WILL BE SUCCESSFUL, AND NANOG
25 IS A VERY IMPORTANT ELEMENT. SO ON THE ONE HAND, THEY

BARRISTERS' REPORTING SERVICE

1 BALANCE THE SIGNIFICANT DATA WITH THE CONCERNS OVER
2 FEASIBILITY?

3 DR. GRIESHAMMER: YEAH. FEASIBILITY REALLY OF
4 THE RESEARCH ITSELF, MORE THE BACKGROUND OF THE PI.

5 CHAIRMAN KLEIN: ALL RIGHT. ADDITIONAL
6 QUESTIONS?

7 DR. PRIETO: IF THE PI INTENDS TO USE THE
8 FEDERALLY APPROVED OR PRESIDENTIAL CELL LINES ONLY, ISN'T
9 THIS A GRANT THAT COULD ALSO BE SUBMITTED TO THE NIH OR
10 OTHER PLACES FOR FUNDING?

11 DR. OLSON: LET ME JUST MAKE THE COMMENT THAT
12 WE HAD NO -- THIS ONE WAS SPECIFICALLY OPEN TO ALL TYPES
13 OF STEM CELL RESEARCH. SO, IN FACT, THERE WAS NO
14 EXPLICIT REQUEST THAT IT BE THE TYPE OF RESEARCH THAT
15 COULD NOT BE FUNDED BY THE NIH.

16 MR. ROTH: JUST A COMMENT AFTER LISTENING TO
17 THIS AND READING WHAT WAS IN THE PUBLIC SECTION. I THINK
18 PART OF OUR MISSION IS TO FUND NEW PEOPLE COMING IN.
19 AND, YOU KNOW, MANY DON'T HAVE STEM CELL EXPERIENCE, BUT
20 WE WANT THEM TO GET THERE, AND THAT'S PART OF THE REASON
21 WE'RE DOING THESE PARTICULAR GRANTS, TO TAKE STRONG
22 PEOPLE AND MOVE THEM AHEAD.

23 CHAIRMAN KLEIN: AS A QUESTION HERE, FOLLOWING
24 DR. PRIETO'S COMMENT, SINCE THERE'S SUBSTANTIAL ISSUES
25 WITH THE PRESIDENTIAL LINES AND GENETIC CHANGES IN THE

BARRISTERS' REPORTING SERVICE

1 HUMAN CELLS BECAUSE OF THE MOUSE FEEDER LEVELS AND THE
2 OBSERVED REARRANGEMENT, CHROMOSOMAL REARRANGEMENTS, ON
3 THE HUMAN CELLS, WHAT DO WE FEEL ABOUT THIS ISSUE OF
4 WHETHER THIS PARTICULAR RESEARCH IS GOING TO GIVE US A
5 CLEAR VISION OF HOW NANOG WILL WORK GIVEN THE
6 DEFICIENCIES AND LIMITATIONS OF THOSE LINES? IS THIS A
7 GRANT THAT MIGHT BE RESUBMITTED WITH CONSIDERATION OF
8 USING LINES THAT HAVE A GREATER POTENTIAL FOR CLEARER
9 RESULTS THAT ARE UNCOMPLICATED BY THE NATURE OF THOSE
10 PRESIDENTIAL LINES? THAT'S JUST A QUESTION.

11 DR. GRIESHAMMER: DID YOU WANT ME TO ADDRESS
12 THAT?

13 CHAIRMAN KLEIN: PLEASE.

14 DR. OLSON: I JUST WANT TO SAY THAT I THINK
15 SINCE WE HAVEN'T REALLY DEFINED -- THE BOARD HAS NOT
16 DEFINED THE ELIGIBILITY CRITERIA UNDER WHICH WE'LL ALLOW
17 FOR RESUBMISSION, THAT THAT MAY BE A TRICKY THING TO DO
18 AT THIS TIME.

19 CHAIRMAN KLEIN: OKAY. POINT WELL TAKEN.
20 THANK YOU. ADDITIONAL QUESTIONS? PUBLIC COMMENT?

21 MR. REED: I HAVE TWO THOUGHTS. FIRST, AS THIS
22 IS ONE OF THE FOUR KEY GENES THAT WERE USED IN THE IPS
23 RESEARCH, IT SEEMS TO ME REALLY IMPORTANT THAT WE STUDY
24 IT AND KNOW HOW THIS REVOLUTIONARY NEW PROCEDURE MAY WORK
25 OR MAY NOT WORK. IS IT ALWAYS A DANGER? IS IT POSSIBLY

BARRISTERS' REPORTING SERVICE

1 A DANGER? IS IT IMPORTANT? I THINK THIS IS IMPORTANT.
2 POSSIBLY MAY WANT TO USE DIFFERENT CELL LINES, BUT I
3 THINK THE KEY IS IMPORTANT.

4 SECONDLY, AS WE'RE GOING THROUGH THIS, AND I
5 SEE THE MONEY TRICKLING AWAY, WHICH IS IMPORTANT IT BE
6 DONE, I CAN'T FORGET ABOUT THESE OTHER TEN PEOPLE THAT
7 ARE NOT GOING TO BE PART OF THIS. AND I JUST PROBABLY --
8 MAYBE IT'S NOT EVEN APPROPRIATE TO ASK, BUT IS THERE SOME
9 WAY TO KEEP IN THE BACK OF OUR MINDS THE TEN PEOPLE THAT,
10 THROUGH NO FAULT OF THEIR OWN, LOST OUT THEIR GRANTS?

11 CHAIRMAN KLEIN: WE NEED TO VOTE ON EVERY GRANT
12 ON ITS MERITS AND BASED UPON THE INFORMATION AND
13 RECOMMENDATIONS WE HAVE BEFORE US. HAS TO BE AN
14 INDIVIDUAL DECISION.

15 DR. STEWARD: SO I WONDER -- THESE ARE ACTUALLY
16 A LITTLE BIT DIFFERENT THAN ANY OF THE GRANTS THAT WE'VE
17 TALKED ABOUT BEFORE IN THAT WE'RE REALLY FUNDING PEOPLE
18 HERE. PEOPLE WHO DOING GOOD SCIENCE, BUT STILL PEOPLE.
19 THESE ARE FACULTY DEVELOPMENT AWARDS. WHEREAS, IN THE
20 PAST WE'VE REALLY FOCUSED ON STRICTLY THE SCIENCE. AND I
21 SAY THAT BY WAY OF INTRODUCING A QUESTION.

22 I'M A BIT CONCERNED ABOUT ONE OF THE COMMENTS
23 IN THE DISCUSSION HERE, AND MAYBE YOU COULD COMMENT ON
24 THIS. AND IT IS THE TRACK RECORD OF THE PI IS NOT OF
25 HIGH ENOUGH QUALITY TO CONVINCING THE REVIEWERS THAT HE/SHE

BARRISTERS' REPORTING SERVICE

1 WILL BE SUCCESSFUL IN THE FIELD. COULD YOU AMPLIFY ON
2 THAT?

3 DR. GRIESHAMMER: BASICALLY DURING THE REVIEW
4 DISCUSSION, REVIEWERS WERE OF VERY DIFFERENT OPINION
5 ABOUT THIS INVESTIGATOR. AND SOME FELT THAT THIS PERSON
6 IS A TALENTED INVESTIGATOR; THAT IS, HAS A GOOD LIST OF
7 PUBLICATIONS IN THE PERSON'S FIELD OF STUDY. THE NO
8 PROVEN NO TRACK RECORD COMES REALLY FROM ASSESSING
9 WHETHER THIS PERSON HAS SPECIFIC PUBLICATIONS ALREADY
10 WITHIN THE FIELD OF NANOG STUDIES OR HUMAN EMBRYONIC STEM
11 CELLS, WHICH ARE THE SUBJECT OF THIS PROPOSAL. BUT I
12 THINK THERE'S CERTAINLY A GOOD LIST OF PUBLICATIONS THAT
13 SOME REVIEWERS FELT WAS INDEED INDICATIVE OF A TALENTED
14 INVESTIGATOR. IT WAS JUST NOT WITHIN THIS FIELD OF STUDY
15 THAT'S PROPOSED HERE.

16 DR. STEWARD: I JUST WANT TO MAKE SURE THAT I
17 UNDERSTAND HERE, THAT THEY SEEM TO BE REFERRING HERE TO
18 THE QUALITY OF THE PREVIOUS WORK IRRESPECTIVE OF THE AREA
19 IN WHICH IT IS. SO I MEAN I SORT OF READ A LITTLE BIT OF
20 A DIFFERENCE OF PRESENTATION HERE IN THE DISCUSSION PART
21 VERSUS THE SUMMARY PART JUST TO UNDERSTAND THIS.

22 DR. GRIESHAMMER: SO THAT WOULD REFER THEN TO
23 PERHAPS THE REVIEWER HAVING AN OPINION ABOUT THE OTHER
24 WORK THAT'S NOT COVERED IN THIS GRANT FOR THIS PERSON.
25 AND AT THIS POINT I CAN'T -- I'M NOT CERTAIN HOW STRONGLY

BARRISTERS' REPORTING SERVICE

1 PEOPLE WERE IN AGREEMENT WITH THAT OR NOT. I DON'T
2 REMEMBER.

3 CHAIRMAN KLEIN: OKAY. DR. OLSON, YOU WANT TO
4 MAKE A COMMENT?

5 DR. OLSON: WELL, I WAS JUST GOING TO ADD THAT,
6 YOU KNOW, THE PRELIMINARY -- THE SUMMARIES REFLECT THEIR
7 CRITIQUES, AND THE DISCUSSION THEN REFLECTS WHAT WAS
8 HAPPENING IN THE DISCUSSION. SO THERE ARE DIFFERENT
9 THINGS EMPHASIZED AT DIFFERENT TIMES.

10 CHAIRMAN KLEIN: OKAY. PUBLIC COMMENT? SEEING
11 NONE, CALL THE QUESTION. ROLL CALL.

12 MS. KING: RICARDO AZZIZ.

13 DR. AZZIZ: AGAINST.

14 MS. KING: ROBERT BIRGENEAU.

15 DR. BIRGENEAU: NO.

16 MS. KING: FLOYD BLOOM.

17 DR. BLOOM: YES.

18 MS. KING: ALBERT BENNETT.

19 DR. BENNETT: ABSTAIN.

20 MS. KING: MARCY FEIT.

21 MS. FEIT: NO.

22 MS. KING: MICHAEL FRIEDMAN.

23 DR. FRIEDMAN: NO.

24 MS. KING: LEEZA GIBBONS.

25 MS. GIBBONS: AGAINST.

BARRISTERS' REPORTING SERVICE

1 MS. KING: MICHAEL GOLDBERG.
2 MR. GOLDBERG: NO.
3 MS. KING: BOB KLEIN.
4 CHAIRMAN KLEIN: NO.
5 MS. KING: SHERRY LANSING.
6 MS. LANSING: NO.
7 MS. KING: GERALD LEVEY.
8 DR. LEVEY: NO.
9 MS. KING: TED LOVE.
10 DR. LOVE: NO.
11 MS. KING: ED PENHOET.
12 DR. PENHOET: NO.
13 MS. KING: CLAIRE POMEROY.
14 DR. POMEROY: YES.
15 MS. KING: FRANCISCO PRIETO.
16 DR. PRIETO: NO.
17 MS. KING: DUANE ROTH.
18 MR. ROTH: YES.
19 MS. KING: JEFF SHEEHY.
20 MR. SHEEHY: YES.
21 MS. KING: JONATHAN SHESTACK.
22 MR. SHESTACK: ABSTAIN.
23 MS. KING: OSWALD STEWARD.
24 DR. STEWARD: NO.
25 MS. KING: JANET WRIGHT.

BARRISTERS' REPORTING SERVICE

1 DR. WRIGHT: YES.

2 MS. KING: THAT MOTION FAILS.

3 CHAIRMAN KLEIN: DR. MURPHY, DO YOU WANT TO
4 MAKE A COMMENT?

5 DR. MURPHY: MR. CHAIRMAN, COULD I JUST RESPOND
6 TO MR. REED'S COMMENT. YOUR ANSWER I WOULD AGREE WITH.
7 WE HAVE TO EVALUATE ALL OF THESE GRANTS ON THEIR MERIT,
8 BUT I DO WANT TO SET THE RECORD STRAIGHT. ALTHOUGH THERE
9 WERE TEN GRANTS THAT FELL WITHIN THE DISQUALIFIED GROUP,
10 MY RECOLLECTION IS ONLY SEVEN OF THOSE WERE WITHIN WHAT
11 WE WOULD CALL THE FUNDABLE REGION. SO WE'RE REALLY
12 TALKING ABOUT -- WE'RE TALKING ABOUT NOT TEN GRANTS, BUT
13 SEVEN.

14 CHAIRMAN KLEIN: OKAY. BUT WE'RE ONLY GOING TO
15 LOOK AT THE MERITS ON THESE GRANTS BEFORE US, NOT
16 CONSIDERING THOSE IN THIS REVIEW.

17 SO NEXT ITEM IS UP FOR CONSIDERATION. LEEZA
18 GIBBONS.

19 MS. GIBBONS: I MOVE THAT APPLICATION 538 BE
20 MOVED INTO THE FIRST TIER FOR FUNDING.

21 CHAIRMAN KLEIN: THE MOTION IS 538 BE MOVED
22 INTO THE FIRST TIER.

23 DR. LOVE: SECOND.

24 CHAIRMAN KLEIN: TED LOVE IS THE SECOND.
25 DISCUSSION BY THE MEMBERS?

BARRISTERS' REPORTING SERVICE

1 MS. KING: AFTER WE READ THE CONFLICTS.

2 CHAIRMAN KLEIN: AFTER WE READ THE CONFLICTS.

3 MS. PACHTER: THERE ARE NO CONFLICTS ON 537,
4 MR. CHAIR.

5 CHAIRMAN KLEIN: IT'S 538.

6 MS. PACHTER: 538 IS BENNETT AND LANSING.

7 CHAIRMAN KLEIN: DR. OLSON, WHO WOULD BE
8 PROVIDING A PRECIS OF THIS?

9 DR. OLSON: THAT WOULD BE ME. THE APPLICANT
10 HAS PREVIOUSLY SHOWN -- SO FIRST LET ME STATE THAT THIS
11 IS AN APPLICATION THAT DEALS WITH ALZHEIMER'S DISEASE AND
12 BOOSTING IMMUNE RESPONSES TO BETA AMYLOID PROTEIN, WHICH
13 IS THE PATHOLOGICAL OR BELIEVED TO BE THE PATHOLOGICAL
14 PROTEIN IN ALZHEIMER'S DISEASE.

15 SO THE APPLICANT HAS ACTUALLY PREVIOUSLY SHOWN
16 THAT BETA AMYLOID-SPECIFIC T-CELL IMMUNOTHERAPY DOES
17 PROVIDE BENEFICIAL EFFECTS IN A MOUSE MODEL OF
18 ALZHEIMER'S DISEASE, AND I WANT TO MAKE THE POINT NOTABLY
19 WITHOUT A CONCURRENT INFLAMMATORY RESPONSE.

20 SO THE OVERALL OBJECTIVE OF ESSENTIALLY THIS
21 PROTOCOL IS TO DEVELOP WAYS OF STIMULATING T-CELLS USING
22 HUMAN EMBRYONIC STEM CELL TECHNOLOGY TO PRODUCE BETA
23 AMYLOID PRESENTING DENDRITIC CELLS, WHICH ARE, IN FACT,
24 THE STIMULATORY CELLS THAT COULD BE USED, THEN, TO
25 STIMULATE A PATIENT'S T-CELL POPULATION.

BARRISTERS' REPORTING SERVICE

1 THE STRATEGY BASICALLY IS TO CREATE FUSION
2 PROTEINS, INTRODUCE THOSE GENES INTO T-CELLS, SCREEN FOR
3 THE ONES THAT ARE BEST, AND THEN DIFFERENTIATE THOSE
4 TRANSFECTED EMBRYONIC STEM CELLS INTO THE DENDRITIC
5 LINEAGE. AND ACTUALLY THE REVIEWERS DID COMMENT HERE
6 THAT THIS IS NOT A STRAIGHTFORWARD. IT'S GETTING
7 DENDRITIC CELLS OUT OF EMBRYONIC STEM CELLS IS NOT
8 STRAIGHTFORWARD AT THIS POINT. YOU WOULD PREFER TO GO
9 THROUGH THE LYMPHOID LINEAGE, BUT, IN FACT, THAT HAS
10 PROVED VERY DIFFICULT. PEOPLE HAVE TAKEN AN ALTERNATE
11 ROUTE, AND HE DID CITE A PUBLICATION OR THE APPLICANT
12 CITED A PUBLICATION THAT WOULD SUGGEST THAT WAS TRUE.
13 AND THEN USING THESE DENDRITIC CELLS ONCE OBTAINED TO
14 ACTUALLY STIMULATE T-CELLS FROM DONORS TO SHOW THAT IT
15 WORKED.

16 SO THE REVIEWERS GAVE THIS PROPOSAL HIGH MARKS
17 FOR NOVELTY, INNOVATION, AND POTENTIAL SCIENTIFIC AND
18 CLINICAL IMPACT, BUT NOTED, AS DID THE APPLICANT, THAT
19 THE PROPOSAL IS HIGH RISK. THE STUDY PLAN WAS CAREFULLY
20 CONSIDERED AND IS LINEAR, LOGICAL. POTENTIAL PROBLEMS
21 HAVE BEEN RECOGNIZED AND ALTERNATIVE STRATEGIES PROPOSED
22 WHENEVER POSSIBLE.

23 AS FAR AS THE QUALIFICATIONS OF THE PRINCIPAL
24 INVESTIGATOR, MOST OF THE PUBLICATIONS ARE ACTUALLY IN
25 SPECIALIST JOURNALS, SO NOT IN THE HIGH PROFILE GENERAL

BARRISTERS' REPORTING SERVICE

1 JOURNAL. THE APPLICANT APPEARS TO HAVE MANY OF THE
2 SKILLS NEEDED TO DO THE WORK ALTHOUGH WAS NOTED TO HAVE
3 LIMITED EXPERIENCE WITH HUMAN EMBRYONIC STEM CELLS.
4 THERE WAS SOME PERCEPTION THAT THE APPLICANT HAD -- WHAT
5 DO I WANT TO SAY -- MOVED AROUND A BIT WITHIN THE
6 NEUROLOGICAL FIELD OR WITHIN THE IMMUNOLOGICAL FIELD.
7 AND THAT WAS OF CONCERN, BUT THE APPLICANT HAS STATED
8 THAT ALZHEIMER'S DISEASE AND IMMUNOTHERAPY IS A MAJOR
9 THRUST AT THIS POINT. IT WAS NOT CLEAR TO THE REVIEWERS
10 HOW WELL SET UP THE LAB WAS TO DO THE WORK.

11 THERE WAS A BIT OF CONCERN ABOUT THE CAREER
12 DEVELOPMENT PLAN IN THAT THE INTERESTS SEEMED BROAD AND
13 THERE WERE NO CONCRETE PLANS FOR ADVISORY COMMITTEES,
14 MENTORSHIP, ETC.

15 THE INSTITUTIONAL SUPPORT STATED THAT THEY HAD
16 SIGNIFICANT ALLOCATION OF SPACE AND THAT 75 PERCENT OF
17 HIS OR HER TIME WOULD BE ACTUALLY AVAILABLE TO CONDUCT
18 THE RESEARCH. THE APPLICANT IS CURRENTLY IN YEAR FIVE OF
19 A TENURE APPOINTMENT, AND AT THIS INSTITUTION GENERALLY
20 TENURE DECISIONS ARE MADE WITHIN SEVEN YEARS. THERE WAS
21 A BIT OF CONCERN ABOUT THAT. THE INSTITUTION HAS WHAT I
22 THINK WAS CHARACTERIZED BY THE REVIEWERS AS SOMEWHAT OF A
23 DEVELOPING STEM CELL PROGRAM. AND, AGAIN, IT WAS NOTED
24 THERE WAS NO FORM OF MENTORING.

25 AGAIN, HOWEVER, THE REVIEWERS FOUND THE

BARRISTERS' REPORTING SERVICE

1 PROPOSAL LUCID, ARTICULATE, AND WELL WRITTEN, BUT THE
2 APPLICANT NOT NECESSARILY A TOTAL STAND-OUT OR
3 EXCEPTIONAL IN THE FIELD PERHAPS BECAUSE OF A BROAD SET
4 OF INTERESTS THAT HAD BEEN LOOKED AT OVER THE TIME WHERE
5 AS A GRADUATE STUDENT AND POST-DOC.

6 THE INSTITUTIONAL ENVIRONMENT IS FINE. AND
7 THEN THERE WAS, AGAIN, THE CONCERN ABOUT THE TWO YEARS
8 BEFORE TENURE DECISION.

9 AND SO IN PROGRAMMATIC DISCUSSION, HOWEVER, THE
10 RECOMMENDATION WAS TO MOVE THIS APPLICATION INTO TIER 2.
11 AND THE POINT WAS MADE THAT ALTHOUGH THE APPLICANT MAY
12 NOT APPEAR TO BE EXCEPTIONAL ON PAPER, THAT THE APPLICANT
13 IS EXCEEDINGLY WELL POSITIONED TO DO THE WORK IN THE
14 SENSE THAT THEY HAVE A LOT OF THE SKILLS. THEY NOTED IT
15 HAD BEEN LINEAR IN PROGRESS, AND THAT THIS IS ESSENTIALLY
16 AN APPLICATION ON A CLINICALLY RELEVANT TARGET FROM A
17 VERY WELL-TRAINED IMMUNOLOGIST. THE PANELISTS NOTED THAT
18 THE STEM CELL PROGRAM AT THE INSTITUTION IS DEVELOPING,
19 AND THERE IS INCREASING EXPERTISE IN STEM CELL SCIENCE.
20 THEY CONSIDERED THAT THIS WAS AN IMPORTANT TARGET FOR
21 STEM CELL RESEARCH; I.E., ALZHEIMER'S DISEASE, AND THAT
22 THE PROPOSAL ITSELF WAS CONSIDERED LUCID, WELL REASONED,
23 ALBEIT RISKY. THEREFORE, THAT'S WHAT RESULTED IN THE
24 DECISION IN THE RECOMMENDATION OF THE PANEL TO MOVE IT
25 INTO TIER 2.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND,
2 AGAIN, WHEN WE LOOK AT THIS, THERE IS -- IN TERMS OF THE
3 OVERALL SCORE, THERE'S A QUESTION ON THIS RELATED TO THE
4 ABILITY TO DERIVE DENDRITIC CELLS FROM EMBRYONIC CELLS;
5 IS THAT CORRECT?

6 DR. OLSON: THAT IS CORRECT, AND THERE WAS NO
7 PRELIMINARY DATA PRESENTED THAT SHOWED THAT THE APPLICANT
8 WAS ABLE TO DO THAT, ALTHOUGH THE APPLICANT DOES CITE A
9 PUBLICATION WHERE DENDRITIC CELLS HAVE BEEN DERIVED FROM
10 MYELOID CELLS. THIS WAS PERCEIVED AS -- YOU KNOW, AS I
11 SAID, THE RESEARCH WAS PERCEIVED AS RISKY.

12 CHAIRMAN KLEIN: IT'S INTERESTING. OUR
13 PRESIDENT-ELECT HAS COMMENTED ON DENDRITIC CELLS DERIVED
14 FROM AMNION AND/OR EMBRYONIC STEM CELLS, AND IT'S IN THE
15 GENERAL KNOWLEDGE OF THE PUBLIC AT THIS POINT THAT THAT
16 IS AN ONGOING AREA OF RESEARCH IN AUSTRALIA, WHICH CANNOT
17 OBVIOUSLY QUALIFY FOR OUR GRANTS, BUT THEY SEEM TO BE AN
18 OUTSIDE GENERAL VERIFICATION OF THE CAPACITY TO ACHIEVE
19 THIS. ALTHOUGH SINCE THOSE PUBLICATIONS ARE NOT --
20 THEY'RE NOT AT A STAGE WHERE WE HAVE OUTSIDE VALIDATION
21 OF TOP PEER REVIEWED PUBLICATIONS OF THIS POSSIBILITY AT
22 THIS TIME, IT WAS A STATEMENT MORE OF INTENT AND
23 COMMITMENT TO THE GOAL BY AN OUTSTANDING LAB AT MONASH,
24 BUT NOT OF ACTUALLY ACCOMPLISHING IT, BUT AT LEAST
25 THERE'S A VALIDATION OF OTHERS BELIEVING THIS CAN BE

BARRISTERS' REPORTING SERVICE

1 ACCOMPLISHED.

2 JEFF SHEEHY AND THEN I'LL GO TO OS STEWARD.

3 MR. SHEEHY: I REALLY -- I HOPE WE DON'T GET
4 CAUGHT UP IN THE TYRANNY OF THE SCORES ON THIS ONE
5 BECAUSE THIS IS ONE, YOU KNOW -- IN THESE REVIEWS I THINK
6 WHEN WE COULD DO THE PROGRAMMATIC, THERE'S GENERALLY THIS
7 I DON'T THINK WE MIGHT HAVE GOTTEN THIS ONE RIGHT. AND,
8 YOU KNOW, IN THE FIRST GO-ROUND, THIS WOULD NOT HAVE BEEN
9 A TIER 1. BUT IF YOU LOOK AT THE THREE LEGS OF THE
10 STOOL, I THINK THIS WOULD HAVE SCORED MUCH HIGHER IF HE
11 HAD BEEN AT A NAME UNIVERSITY, SO HE WAS DINGED FOR THAT,
12 HAD AN ECLECTIC CAREER, SO HE WAS DINGED FOR THAT. YET,
13 IF YOU LOOK AT THE NOTES, HE HAS THE CAPACITY TO DO THIS
14 RESEARCH.

15 AND THEN THERE WAS THIS VERY ACTIVE DISCUSSION
16 ABOUT THE FEASIBILITY OF DERIVING DENDRITIC CELLS FROM
17 EMBRYONIC STEM CELLS. AS THE CHAIR HAS SAID, THEY'RE
18 WORKING ON THAT AT MONASH. I'VE HEARD TOM OKARMA AT
19 GERON TALK ABOUT THAT. THAT'S ONE OF THE THINGS THAT
20 THEY'RE TRYING TO LOOK AT IN TERMS OF DEALING WITH THE
21 IMMUNE PROBLEMS THAT -- IMMUNE REJECTION PROBLEMS. AND
22 IT SEEMS TO ME LIKE THIS IS EXACTLY WHAT WE SHOULD BE
23 FUNDING. THIS IS VERY HIGH RISK AND PROBABLY MAYBE WON'T
24 WORK; BUT IF IT DOES WORK, THIS CAN MAKE A MAJOR IMPACT
25 ON AN IMPORTANT CLINICAL POPULATION. AND IT CAN HELP --

BARRISTERS' REPORTING SERVICE

1 IF HE CAN DERIVE THESE DENDRITIC CELLS, IT HAS
2 APPLICATIONS IN ALL SORTS OF PLACES AND IT'S INCREDIBLY
3 IMPORTANT.

4 AND I THINK IF YOU LOOK AT THE SCORE COMPARED
5 TO OTHER SCORES, YOU'RE NOT GOING TO WANT TO DO IT; BUT
6 IF YOU TAKE IT OUTSIDE OF THAT AND REALLY LOOK AT THIS AS
7 BEING KIND OF AN OUTLIER THAT WE SHOULD REALLY TAKE A
8 CHANCE ON, I WOULD URGE US TO VOTE FOR THIS ONE.

9 CHAIRMAN KLEIN: I THINK OS STEWARD AND THEN
10 DR. LEVEY.

11 DR. STEWARD: THIS IS A QUESTION. I HOPE IT IS
12 AN APPROPRIATE ONE. IT HAS TO DO WITH PORTFOLIO. MY
13 RECOLLECTION IS THAT WE HAVE PERHAPS NO MORE THAN ONE
14 OTHER PROPOSAL OF ANY TYPE THAT WE FUNDED IN ALZHEIMER'S
15 DISEASE, BUT I COULD BE WRONG. AND THE QUESTION IS HOW
16 MANY DO WE HAVE OUT THERE RIGHT NOW?

17 CHAIRMAN KLEIN: I THINK DR. OLSON IS
18 ATTEMPTING TO ADDRESS THAT. WHILE SHE'S LOOKING, DR.
19 LEVEY, WOULD YOU LIKE TO MAKE A COMMENT?

20 DR. LEVEY: ONE OF THE THINGS I THINK THE BOARD
21 MIGHT WANT TO CONSIDER THE NEXT TIME WE HAVE A ROUND OF
22 NEW FACULTY AWARDS IS WHETHER WE WANT TO BE SPECIFIC
23 ABOUT NOT ONLY THE ENVIRONMENT, BUT ALSO THAT THERE'S
24 MENTORING IN PLACE BECAUSE THESE ARE BASICALLY YOUNG
25 RESEARCHERS. AND I THINK THAT THE EVIDENCE IN THE

BARRISTERS' REPORTING SERVICE

1 LITERATURE IS QUITE CLEAR, THAT PEOPLE WHO ARE SUCCESSFUL
2 GENERALLY HAVE GOOD MENTORS. MENTORING IS A VERY
3 IMPORTANT EXPERIENCE THAT FREQUENTLY IN THE HUBBUB OF
4 EVERYTHING THAT GOES ON TODAY WE'VE GOTTEN AWAY FROM.

5 AND LET'S JUST TAKE THIS INDIVIDUAL AS WELL.
6 IF YOU'RE WORKING IN AN ENVIRONMENT THAT ISN'T STRONG IN
7 STEM CELL RESEARCH AND HE OR SHE, WHOEVER THIS IS, IS NEW
8 THIS AREA, I THINK THE CHANCES OF SUCCESS ARE PROBABLY
9 SMALLER. AND THERE'S NOTHING TO STOP THE PERSON FROM
10 USING SOMEONE AT ANOTHER UNIVERSITY TO WHOM HE OR SHE CAN
11 REPORT TO. I WONDER IF WE COULD THINK ABOUT THAT,
12 WHETHER WE WANTED TO ADD THIS TO ONE OF OUR REQUIREMENTS
13 RATHER THAN CATCH AS CATCH CAN SOME ARE MENTORED, SOME
14 AREN'T MENTORED BECAUSE, AS I SAID, THE ABILITY OF YOUNG
15 FACULTY TO SUCCEED IS, IN FACT, RELATED TO THE QUALITY OF
16 THE MENTORING EARLY IN ONE'S CAREER.

17 CHAIRMAN KLEIN: I THINK THAT THERE WAS A BROAD
18 RECOGNITION IN PEER REVIEW OF THE VALUE OF MENTORING. I
19 THINK THIS IS AT AN INSTITUTION THAT WAS BUILDING A
20 PROGRAM AND TRYING TO RECRUIT SOME PEOPLE INTO MENTORING,
21 BUT COULDN'T CLAIM THAT THEY WERE COMPLETELY IN PLACE.

22 DR. OLSON, CAN YOU ANSWER THE QUESTION RELATED
23 TO THE PORTFOLIO REPRESENTATION OF ALZHEIMER'S?

24 DR. OLSON: AMONG THE SEED AND THE
25 COMPREHENSIVE GRANTS, THERE HAVE BEEN THREE THAT WERE

BARRISTERS' REPORTING SERVICE

1 SPECIFICALLY DIRECTED TO ALZHEIMER'S DISEASE, SO YOU WERE
2 CORRECT. THE NUMBER WAS SMALL.

3 CHAIRMAN KLEIN: OKAY. ADDITIONAL COMMENTS
4 FROM THE MEMBERS? FROM THE PUBLIC?

5 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
6 TAXPAYER AND CONSUMER RIGHTS. I HEARD JEFF SHEEHY'S
7 WARNING ABOUT NOT TAKING THE NUMBERS TOO SERIOUSLY, BUT
8 IT'S VERY DIFFICULT TO KNOW HOW WE CAN PUT A NUMBER IN
9 APPROPRIATE CONTEXT IF WE'RE NOT PART OF BEING ABLE TO
10 SEE THE PEER REVIEW PROCESS. ONCE AGAIN, I'D LIKE TO
11 POINT OUT THE IMPORTANCE OF THOSE SESSIONS BEING OPEN.

12 BEYOND THAT, GIVEN THE DATA THAT WE'VE GOT, IT
13 DOES SEEM TO ME THAT WE'RE GETTING VERY CLOSE TO HAVING A
14 SCIENTIFIC SCORE HERE THAT IS JUST NOT ON PAR WITH THE
15 REST OF THE THINGS YOU'RE CONSIDERING MAKING A GRANT TO,
16 AND THAT SEEMS TO ME TO BE TROUBLESOME. THANK YOU.

17 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU. CAN WE
18 THEN CALL THE ROLL, PLEASE, REMINDING US OF THE
19 CONFLICTS. DR. AZZIZ, YOU'D LIKE TO MAKE A COMMENT.

20 DR. AZZIZ: IT WOULD ALWAYS BE HELPFUL,
21 PARTICULARLY AS WE HAVE LONG DISCUSSIONS, TO RESTATE THE
22 MOTION BEFORE WE VOTE. I JUST WANT TO POINT THAT OUT. I
23 KNOW I'M THE FIRST IN LINE, AND I'M A LITTLE CONCERNED
24 THAT WE GO BACK AND FORTH, AND WE MAY BE TAKING THAT OUT
25 OF CONTEXT.

BARRISTERS' REPORTING SERVICE

1 MS. PACHTER: LEGAL STAFF AGREES IN SPADES, DR.
2 AZZIZ, SO I'D BE HAPPY TO RESTATE THE MOTION. THE MOTION
3 MADE BY MEMBER GIBBONS AND SECONDED BY MEMBER LOVE IS TO
4 MOVE APPLICATION NO. 538 INTO TIER 1 TO FUND.

5 MS. KING: THE CONFLICTS ARE ALBERT BENNETT AND
6 SHERRY LANSING.

7 RICARDO AZZIZ.

8 DR. AZZIZ: AGAINST.

9 MS. KING: ROBERT BIRGENEAU.

10 DR. BIRGENEAU: NO.

11 MS. KING: FLOYD BLOOM.

12 DR. BLOOM: NO.

13 MS. KING: DAVID BRENNER.

14 DR. BRENNER: NO.

15 MS. KING: MARCY FEIT.

16 MS. FEIT: YES.

17 MS. KING: MICHAEL FRIEDMAN.

18 DR. FRIEDMAN: YES.

19 MS. KING: LEEZA GIBBONS.

20 MS. GIBBONS: YES.

21 MS. KING: MICHAEL GOLDBERG.

22 MR. GOLDBERG: NO.

23 MS. KING: FRANK MARKLAND.

24 DR. MARKLAND: NO.

25 MS. KING: BOB KLEIN.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: YES.
2 MS. KING: GERALD LEVEY.
3 DR. LEVEY: NO.
4 MS. KING: TED LOVE.
5 DR. LOVE: YES.
6 MS. KING: ED PENHOET.
7 DR. PENHOET: ABSTAIN.
8 MS. KING: CLAIRE POMEROY.
9 DR. POMEROY: YES.
10 MS. KING: FRANCISCO PRIETO.
11 DR. PRIETO: YES.
12 MS. KING: DUANE ROTH.
13 MR. ROTH: NO.
14 MS. KING: JEFF SHEEHY.
15 MR. SHEEHY: YES.
16 MS. KING: JONATHAN SHESTACK.
17 MR. SHESTACK: YES.
18 MS. KING: OSWALD STEWARD.
19 DR. STEWARD: YES.
20 MS. KING: JANET WRIGHT.
21 DR. WRIGHT: NO.
22 CHAIRMAN KLEIN: WE COULD DO A FILM ON THE
23 DRAMA HERE. ALL RIGHT. THERE'S A COMMENT AS WELL FROM
24 DR. PENHOET, THAT PERHAPS, IF IT'S TECHNICALLY POSSIBLE
25 WITHOUT OVERCOMPLICATING AN ALREADY COMPLICATED

BARRISTERS' REPORTING SERVICE

1 SITUATION, WE COULD ROTATE WHERE WE START ON THE ROLL
2 CALL, GIVING DR. AZZIZ A LITTLE BUFFER.

3 DR. AZZIZ: I'M PERFECTLY FINE. I JUST WANT TO
4 MAKE, FOR THE RECORD, WE SHOULD BE RESTATING THE MOTION
5 ANYWAY.

6 CHAIRMAN KLEIN: I AGREE TOTALLY.

7 DR. AZZIZ: ROBERT'S RULES OF ORDER IN GENERAL.

8 CHAIRMAN KLEIN: I AGREE TOTALLY. THANK YOU.
9 WHAT IS THE VOTE?

10 MR. HARRISON: THE MOTION PASSES WITH TEN YES
11 VOTES AND NINE NAYS.

12 CHAIRMAN KLEIN: OKAY. I WOULD HOPE THAT THEY
13 TAKE DR. LEVEY'S POINT ABOUT MENTORING VERY SERIOUSLY.
14 IT WOULD SUBSTANTIALLY IMPROVE OUTCOMES, AND IN FUTURE
15 APPLICATIONS HOPEFULLY WE CAN PROVIDE SOME DIRECTIVE
16 LANGUAGE THAT THEY CAN REACH OUT TO OTHER INSTITUTIONS,
17 AS DR. LEVEY HAS SUGGESTED, FOR MENTORING SUPPORT.

18 DR. POMEROY: I'D LIKE TO MAKE A MOTION THAT WE
19 CONSIDER 545 SINCE IT'S ALSO ABOUT ALZHEIMER'S AND WE'RE
20 ALL THINKING ABOUT ALZHEIMER'S, TO MOVE IT FROM TIER 2 TO
21 TIER 1.

22 DR. WRIGHT: SECOND.

23 CHAIRMAN KLEIN: THERE'S A MOTION AND A SECOND,
24 A MOTION BY DR. POMEROY, SECOND BY DR. WRIGHT. COMMENTS?
25 WOULD ANY MEMBER LIKE A PRECIS?

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: YES.

2 MS. PACTER: CAN I ANNOUNCE THE RECUSALS, MR.
3 CHAIR. THE RECUSALS ARE AZZIZ, LANSING, AND LEVEY.

4 CHAIRMAN KLEIN: OKAY. DR. OLSON.

5 DR. OLSON: THIS IS ALSO MINE. OKAY. SO
6 BASICALLY THE AIM OF THIS PROPOSAL IS TO UNDERSTAND IF
7 NEUROGENESIS IN ALZHEIMER'S DISEASE IS DYSFUNCTIONAL AND
8 LEADS TO A VULNERABLE ENVIRONMENT FOR LATER INCURRING
9 NEURODEGENERATION. THE APPLICANT ALSO PROPOSES TO
10 INVESTIGATE THE MECHANISMS THAT ARE ALTERED IN AD
11 NEUROPROGENITORS THAT WILL GENERATE DRUG TARGETS.

12 SO THE APPLICANT HYPOTHESIZES THERE'S A
13 RELATIONSHIP BETWEEN EARLY DEVELOPMENT AND LATE ONSET
14 NEURODEGENERATION WHICH INVOLVES NEURAL PROLIFERATION AND
15 CELL FATE DECISIONS. AND SO THE APPLICANT WILL USE MOUSE
16 MODELS OF ALZHEIMER'S DISEASE TO INVESTIGATE THE
17 INTEGRITY OF NEUROGENESIS IN EARLY AND LATE STAGES OF
18 DEVELOPMENT.

19 THE PI ACTUALLY HAS RATHER STRIKING PRELIMINARY
20 DATA FROM ONE MOUSE MODEL OF AD, IN FACT, WHERE THE
21 APPLICANT LOOKS AT NEUROPROGENITOR CELL PROLIFERATION AND
22 DIFFERENTIATION AND CONTROL IN THIS MODEL AT DIFFERENT
23 STAGES.

24 IN THE SECOND AIM THE APPLICANT HYPOTHESIZES
25 THAT THERE ARE SPECIFIC REGULATORY PATHWAYS ACTIVATED IN

BARRISTERS' REPORTING SERVICE

1 ADULT PROGENITORS IN RESPONSE TO AN ALZHEIMER'S
2 DISEASE-LIKE ENVIRONMENT AND THAT NEURODEGENERATIVE
3 PROCESSES AFFECT THESE REGULATORY PATHWAYS IN THE
4 PROGENITOR CELLS IN THE MICE.

5 SO WHAT THEY WILL DO -- LET'S SEE. THE
6 REVIEWER STATED THAT THEY WILL LOOK AT GENE EXPRESSION
7 FROM NEUROPROGENITORS FROM DIFFERENT STAGES OF LIFE.
8 GENES OF INTEREST WILL BE FURTHERED INVESTIGATED. THE
9 REVIEWERS WERE CONCERNED THIS IS -- WELL, YOU GET A LARGE
10 AMOUNT OF DATA FROM THIS THAT COULD BE DIFFICULT TO
11 ANALYZE; AND ALSO WHEN YOU DO GENE EXPRESSION ANALYSIS,
12 YOU DON'T SEE POST-TRANSCRIPTIONAL CHANGES. HOWEVER, THE
13 REVIEWERS DID NOTE THAT THE PI IS EXTREMELY EXPERIENCED
14 WITH THIS KIND OF MICROARRAY TRANSCRIPTIONAL ANALYSIS
15 TECHNOLOGY, THAT, IN FACT, THE PI'S MENTORS HAVE
16 CHARACTERIZED HIM/HER AS BEING, YOU KNOW, AN EXPERT AT
17 MICROARRAY AND INFORMATICS, BUT NOT JUST THAT. SO THIS
18 PERSON IS MORE THAN THIS. ONE REVIEWER REGARDED THIS AS
19 A POTENTIAL FISHING TRIP.

20 IN THE THIRD AIM, ADULT NEUROGENESIS IN
21 ALZHEIMER'S DISEASE MOUSE MODELS WILL BE ABLATED, SO
22 THEY'LL STOP THE NEUROGENESIS AND DETERMINE THE EFFECT AT
23 THE MOLECULAR, HISTOLOGICAL, AND BEHAVIORAL LEVEL, THUS
24 TESTING THE HYPOTHESIS THAT ADULT NEUROGENESIS ABLATION
25 FACILITATES THE DEVELOPMENT OF AD. SO ALL OF THESE

BARRISTERS' REPORTING SERVICE

1 ADDRESS THE HYPOTHESIS OF THE ENVIRONMENT AFFECTING THE
2 PATHOLOGY.

3 THE REVIEWERS REGARDED ALL OF THESE AS
4 INTERESTING EXPERIMENTS BECAUSE THEY HIGHLIGHT THE EFFECT
5 OF THE ENVIRONMENT ON -- THE ALZHEIMER'S ENVIRONMENT ON
6 NEUROGENESIS AND BECAUSE THEY FOCUS ON EARLY EMBRYONIC
7 EVENTS AS BEING IMPORTANT.

8 THERE WAS SOME CONCERN THAT THE APPLICANT
9 WASN'T REALLY KNOWLEDGEABLE ABOUT ALL THE WORK THAT WAS
10 GOING ON IN THE FIELD AS AT LEAST CERTAIN RELEVANT
11 PUBLICATIONS WERE NOT CITED. SO ONE REVIEWER ALSO
12 REMINDED THE PANEL THAT THE ALZHEIMER'S DISEASE MODELS
13 ARE, IN FACT, THERE ARE NO MICE MODELS OF ALZHEIMER'S
14 DISEASE. THESE ARE TRANSGENIC MICE THAT HAVE BEEN
15 CREATED BY PUTTING IN ESSENTIALLY GENES THAT HAVE BEEN
16 SHOWN TO BE ALZHEIMER'S LIKE.

17 OVERALL THE REVIEWERS DID FIND THE PROPOSAL
18 INTERESTING. IT WOULD GENERATE A HUGE AMOUNT OF DATA.
19 THE TECHNICAL EXPERTISE OF THE APPLICANT WAS
20 ACKNOWLEDGED. AT LEAST SOME OF THE REVIEWERS BELIEVE
21 THAT THIS EXPERTISE IN CONJUNCTION WITH THE PRELIMINARY
22 DATA SUGGESTS THE FEASIBILITY OF GETTING POTENTIALLY
23 USEFUL INFORMATION THAT COULD HAVE POTENTIAL FOR
24 TREATMENT.

25 THE PI WAS CHARACTERIZED AS AN INDUSTRIOUS

BARRISTERS' REPORTING SERVICE

1 PERSON WITH CREATIVE IDEAS. THE PI HAS AN EXCELLENT
2 BACKGROUND AND TRAINING TO CARRY OUT THE PROPOSAL, HAS A
3 LOT OF EXPERIENCE IN THE KINDS OF TECHNOLOGIES THAT ARE
4 CONTEMPLATED IN THIS PROPOSAL, AND HAS ACTUALLY WORKED IN
5 LABS TO UNDERSTAND THE GENETIC BASIS OF HUMAN COGNITIVE
6 SPECIALIZATIONS AND NEURODEGENERATIVE DISEASE, HAS
7 CURRENT ASSOCIATIONS WITH COLLABORATORS WHO WERE WELL
8 KNOWN FOR EXPERTISE IN NEUROLOGY AND NEURODEGENERATIVE
9 DISEASE.

10 THE COLLABORATORS THAT I JUST MENTIONED, IN
11 FACT, ARE VERY NEARBY AND WILL ENSURE ACCESS TO CORE
12 FACILITIES. BOTH OF THESE COLLABORATORS HAVE AGREED TO
13 SERVE AS MENTORS TO THE APPLICANT. THE REVIEWERS NOTED
14 THAT, ALTHOUGH THE APPLICANT DID NOT HAVE A HUGE NUMBER
15 OF PUBLICATIONS, THEY WERE OF GOOD QUALITY AND SOME IN
16 TOP TIER JOURNALS. AGAIN, THE PUBLICATIONS REAFFIRM THE
17 EXPERTISE OF THE APPLICANT IN THE TECHNOLOGIES UNDER
18 CONSIDERATION.

19 THE REVIEWERS WERE CONCERNED ABOUT THE
20 SCIENTIFIC ENVIRONMENT AT THE INSTITUTION WITH RESPECT TO
21 NEUROSCIENCE. THE INSTITUTION HAS STATED THAT THEY ARE
22 DEEPLY COMMITTED TO PROMOTING STEM CELL RESEARCH ON
23 CAMPUS, THAT THEY HAVE ESTABLISHED A SEED GRANT PROGRAM,
24 THERE'S AN ADVISORY COMMITTEE, THEY'RE ACTIVELY
25 RECRUITING YOUNG INVESTIGATORS, BUT THERE DON'T SEEM TO

BARRISTERS' REPORTING SERVICE

1 BE THAT MANY AT THIS INSTITUTION AT THIS POINT IN TIME.
2 SO THERE WAS SOME CONCERN ABOUT THE APPLICANT BEING
3 SOMEWHAT OF A LONE WOLF.

4 THERE WAS LITTLE MENTION OF GUIDANCE OF THE
5 CANDIDATE WITH RESPECT TO PREPARATION FOR TENURE, LIMITED
6 DETAILS ABOUT THE EXTENT OF SCHOLARLY PURSUIT AMONG THE
7 FACULTY. SO THERE WAS CONCERN ABOUT THE ENVIRONMENT AT
8 THE INSTITUTION.

9 THE STRENGTHS, HOWEVER, WERE, IN FACT, THE
10 RESEARCH PROPOSAL, THE FOCUS ON THE RESEARCH PROPOSAL.
11 AND THEY AGREED THAT THE APPLICANT WAS WELL TRAINED, AND
12 AS I SAY, CREATIVE AND INDUSTRIOUS, AND AN EXPERT IN THE
13 TECHNOLOGY.

14 THE MAIN WEAKNESSES WERE CONCERN ABOUT THE
15 INSTITUTIONAL ENVIRONMENT AND THE GUIDANCE FOR OBTAINING
16 TENURE. AND THERE WAS SOME CONCERN, AT LEAST AMONG ONE
17 REVIEWER, ABOUT HOW ACTUALLY GOOD THE BACKGROUND WAS IN
18 ALZHEIMER'S DISEASE PER SE AND THAT EVEN AMONG THE
19 COLLABORATORS, ALTHOUGH THEY WERE EXPERT IN
20 NEURODEGENERATIVE DISEASE AND NEUROLOGY, THEY DIDN'T
21 NECESSARILY HAVE AN ALZHEIMER'S DISEASE FOCUS.

22 CHAIRMAN KLEIN: OKAY. THANK YOU VERY MUCH.
23 QUESTIONS FROM THE COMMITTEE? QUESTIONS FROM THE PUBLIC?
24 CALL THE ROLL. OS STEWARD HAS A COMMENT BEFORE WE DO
25 THAT.

BARRISTERS' REPORTING SERVICE

1 DR. STEWARD: YEAH. I DO HAVE A COMMENT
2 BECAUSE I'M GOING TO VOTE NO ON THIS, AND I WANTED TO
3 MAYBE SAY WHY. DESPITE THE GENERALLY POSITIVE COMMENTS
4 AND MY PREVIOUS QUESTION ABOUT PORTFOLIO ISSUES, THIS ONE
5 REALLY CONTRASTS WITH THE LAST ONE BECAUSE THE LAST ONE
6 IN A SENSE -- MAY I SAY THIS? MAY I COMPARE ON A
7 PORTFOLIO BASIS? THE LAST ONE IN A SENSE IS MUCH MORE IN
8 A TRACK, IF YOU WANT, THAT COULD BE A THERAPEUTIC; THAT
9 IS, WORKING ON THE IMMUNIZATION APPROACHES FOR
10 ALZHEIMER'S DISEASE. THIS ONE REALLY, IF YOU LOOK AT THE
11 DESCRIPTION, IT'S REALLY MORE FOCUSED ON NEUROGENESIS,
12 AND IT'S ALMOST AS IF, AND I MAY BE READING IN, THAT THIS
13 PERSON IS REALLY INTERESTED IN NEUROGENESIS IN MICE AND
14 JUST SORT OF TRANSPLANTING THIS INTO AN ALZHEIMER'S
15 DISEASE CONTEXT. I JUST WANTED TO SAY THAT TO INTRODUCE
16 WHY I WILL BE VOTING NO.

17 CHAIRMAN KLEIN: WHAT WAS THE STRENGTH OF THE
18 COLLABORATORS HERE?

19 DR. OLSON: THE COLLABORATORS -- LET ME VERIFY.
20 THEY WERE STRONG, I BELIEVE, IN NEUROLOGY AND
21 NEURODEGENERATIVE DISEASE. AT LEAST ONE REVIEWER DID NOT
22 CITE THAT THAT WAS A SPECIFIC STRENGTH IN ALZHEIMER'S
23 DISEASE PER SE.

24 CHAIRMAN KLEIN: THANK YOU. ADDITIONAL
25 QUESTIONS? CALL THE ROLL.

BARRISTERS' REPORTING SERVICE

1 MS. PACHTER: I'LL RESTATE THE MOTION, MR.
2 CHAIR, AS REQUESTED. THE MOTION IS TO MOVE APPLICATION
3 NO. 545 TO TIER 1 TO FUND.

4 CHAIRMAN KLEIN: CONFLICTS ARE?

5 MS. PACHTER: CONFLICTS ARE AZZIZ, LANSING, AND
6 LEVEY.

7 CHAIRMAN KLEIN: DR. AZZIZ, YOU WON'T BE THE
8 FIRST.

9 DR. AZZIZ: NOT TODAY, NOT NOW.

10 MS. KING: ROBERT BIRGENEAU.

11 DR. BIRGENEAU: YES.

12 MS. KING: FLOYD BLOOM.

13 DR. BLOOM: NO.

14 MS. KING: DAVID BRENNER.

15 DR. BRENNER: NO.

16 MS. KING: ALBERT BENNETT.

17 DR. BENNETT: NO.

18 MS. KING: MARCY FEIT.

19 MS. FEIT: I'M CONFLICTED, BUT SINCE I WAKE UP
20 EVERY MORNING FEELING LIKE I ALREADY HAVE ALZHEIMER'S,
21 I'M GOING TO SAY YES.

22 MS. KING: MICHAEL FRIEDMAN.

23 DR. FRIEDMAN: NO.

24 MS. KING: LEEZA GIBBONS.

25 MS. GIBBONS: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: MICHAEL GOLDBERG.
2 MR. GOLDBERG: NO.
3 MS. KING: FRANK MARKLAND.
4 DR. MARKLAND: NO.
5 MS. KING: BOB KLEIN.
6 CHAIRMAN KLEIN: YES.
7 MS. KING: TED LOVE.
8 DR. LOVE: NO.
9 MS. KING: ED PENHOET.
10 DR. PENHOET: NO.
11 MS. KING: CLAIRE POMEROY.
12 DR. POMEROY: YES.
13 MS. KING: FRANCISCO PRIETO.
14 DR. PRIETO: YES.
15 MS. KING: DUANE ROTH.
16 MR. ROTH: NO.
17 MS. KING: JEFF SHEEHY.
18 MR. SHEEHY: YES.
19 MS. KING: JONATHAN SHESTACK.
20 MR. SHESTACK: YES.
21 MS. KING: OSWALD STEWARD.
22 DR. STEWARD: NO.
23 MS. KING: JANET WRIGHT.
24 MR. HARRISON: THE MOTION FAILS WITH TEN NO
25 VOTES, EIGHT YES VOTES.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU. ANOTHER MOTION IS
2 IN ORDER.

3 DR. PRIETO: I'D LIKE TO MAKE A MOTION TO MOVE
4 APPLICATION 554-1 INTO TIER 1.

5 CHAIRMAN KLEIN: IS THERE A SECOND? WHAT ARE
6 THE CONFLICTS, COUNSEL?

7 MS. PACHTER: FOR 554 --

8 CHAIRMAN KLEIN: BEFORE WE MAKE A SECOND, I
9 WANT TO MAKE SURE WE KNOW WHO THE CONFLICT IS.

10 MS. PACHTER: 554, THE CONFLICTS ARE GOLDBERG,
11 LANSING.

12 CHAIRMAN KLEIN: SO IS THERE A SECOND?

13 DR. POMEROY: I'LL SECOND IT.

14 CHAIRMAN KLEIN: DR. POMEROY. IF WE COULD ASK
15 IF -- LET'S TRY TO HAVE A SHORTER SUMMARY, AND THEN LET'S
16 SEE IF THE BOARD NEEDS ADDITIONAL INFORMATION ON THIS ONE
17 IF WE COULD, PLEASE.

18 DR. OLSON: DR. SAMBRANO.

19 DR. SAMBRANO: THE TITLE OF THIS APPLICATION IS
20 "ENHANCING SURVIVAL OF EMBRYONIC STEM CELL-DERIVED GRAFTS
21 BY INDUCTION OF IMMUNOLOGICAL TOLERANCE." THE GOAL OF
22 THIS APPLICATION IS TO REDUCE THE NEED FOR
23 ANTIGEN-MATCHED EMBRYONIC STEM CELLS FOR THERAPEUTIC
24 PURPOSES BY DEVELOPING STRATEGIES TO INDUCE TOLERANCE IN
25 ENGRAFTED CELLS.

BARRISTERS' REPORTING SERVICE

1 THE PI WILL USE A MOUSE MODEL FOR THIS AND
2 MOUSE EMBRYONIC STEM CELLS, NOT HUMAN EMBRYONIC STEM
3 CELLS. IT WILL TAKE UNDIFFERENTIATED MOUSE ES CELLS AND
4 DIFFERENTIATE THEM INTO HEMATOPOETIC STEM CELLS THAT WILL
5 BE INTRODUCED INTO A MOUSE TO INDUCE OR ATTEMPT TO INDUCE
6 TOLERANCE IN THE BONE MARROW WITH THE LONG-TERM GOAL OF
7 CURING DIABETES. AND DIABETES HERE IS BEING USED AS,
8 AGAIN, A MODEL. THE APPLICATION HAS BROADER IMPLICATIONS
9 IN ADDRESSING OTHER CELLS OR OTHER TISSUES THAT COULD BE
10 ENGRAFTED THAT WOULD BE ALLEVIATED BY INDUCING TOLERANCE.

11 SO THE REVIEWERS FELT THAT THIS WAS A VERY
12 WELL-WRITTEN APPLICATION FROM A YOUNG FACULTY MEMBER THAT
13 ADDRESSES A VERY CENTRAL ISSUE IN THE UTILITY OF HUMAN
14 EMBRYONIC STEM CELLS IN HUMAN THERAPY. HOWEVER, THEY
15 THOUGHT THE RESEARCH PLAN AS A WHOLE WAS WELL-DESIGNED,
16 THAT POTENTIAL PROBLEMS ARE ADDRESSED, AND THAT IT MAY
17 YIELD USEFUL RESULTS WITHIN THE MOUSE MODEL. THE
18 EXPERIMENTAL DESIGN APPEARS TO BE APPROPRIATE WITH
19 PRELIMINARY DATA, ALTHOUGH THE DIFFICULTY OF DEVELOPING
20 ONE OF THE STEM CELL LINES FOR USE IN THEIR THIRD
21 SPECIFIC AIM, THE PANCREATIC STEM CELL LINES, WAS NOT
22 DISCUSSED VERY MUCH AND WAS NOT EVALUATED IN THE
23 APPLICATION.

24 THE TIMELINES FOR THE PROPOSAL SEEM REALISTIC
25 ALTHOUGH THE INVESTIGATOR MIGHT CONSIDER THE POSSIBILITY

BARRISTERS' REPORTING SERVICE

1 OF JUST THE FIRST RESEARCH AIM TAKING A FULL TWO YEARS.

2 THE PI IS AN ASSISTANT PROFESSOR AT THE
3 APPLICANT INSTITUTION, HAS A VERY ASPIRATIONAL CAREER
4 PLAN WITH SUPPORT FROM LOCAL MENTORS WHO ARE DEEMED TO BE
5 OF EXCELLENT QUALITY; HOWEVER, IT WAS ALSO NOTED THAT
6 THERE ISN'T A CLEAR OR FORMAL MECHANISM BY WHICH THE
7 MENTOR FEEDBACK WOULD BE ACHIEVED. THERE WAS ALSO VERY
8 STRONG SUPPORT BY THE INSTITUTION IN TERMS OF THEIR
9 COMMITMENT LETTER.

10 SO OVERALL REVIEWERS EXPRESSED RESERVATION
11 THAT, ALTHOUGH THE APPLICANT HAS HAD VERY EXCELLENT
12 TRAINING, HIS OR HER OVERALL ACCOMPLISHMENTS AND
13 PUBLICATIONS HAVE NOT BEEN PARTICULARLY OUTSTANDING THUS
14 FAR. AND THAT THERE ARE PROBLEMS WITH THE PROPOSAL,
15 LARGELY THAT THE SUCCESS OF THE PROPOSAL HINGES ON THE
16 SUCCESS OF THE FIRST AIM, AND THE EXPRESSED CONCERN THAT
17 AS A RESULT THE PROJECT MAY NOT WORK.

18 THEY EXPRESSED ENTHUSIASM FOR THE YOUNG
19 INVESTIGATOR AND AGREED THAT THIS IS A WELL-TRAINED
20 SCIENTIST WITH ENORMOUS SUPPORT FROM THE INSTITUTION, HAS
21 A COMMENDABLE CAREER DEVELOPMENT PLAN THAT INCLUDES BOTH
22 RESEARCH AND TEACHING; HOWEVER, THE ENTHUSIASM FOR THE
23 APPLICANT AND THE INSTITUTIONAL SUPPORT COULD NOT
24 OVERCOME THE CONCERNS OF THE SCIENTIFIC PROPOSAL.

25 CHAIRMAN KLEIN: THANK YOU. COMMENTS FROM THE

BARRISTERS' REPORTING SERVICE

1 MEMBERS?

2 DR. STEWARD: QUESTION, SAME QUESTION AS
3 BEFORE. PORTFOLIO? THIS IS, I WOULD SAY, REALLY A GRANT
4 THAT'S RELATED TO DIABETES, ALTHOUGH IT DOESN'T REALLY
5 SHOW UP IN THE TITLE. IS THERE SOME INDICATION OF OUR
6 PORTFOLIO IN DIABETES-RELATED RESEARCH?

7 DR. OLSON: AMONG THE SEED AND COMPREHENSIVE,
8 THERE IS ONE DIABETES APPLICATION THAT MET THE CRITERIA
9 THAT WE HAD OF BEING DIABETES FOCUSED, YES.

10 DR. STEWARD: FOR EITHER THE COMPREHENSIVE OR
11 THE SEEDS.

12 DR. OLSON: YES.

13 MS. GIBBONS: LOOKING AT THE REVIEW, IT APPEARS
14 THAT SUCCESS IN THIS AREA WOULD HAVE APPLICATIONS TO A
15 LOT OF THE DEGENERATIVE DISEASES. SO WHILE WE'RE LOOKING
16 AT A PRIMARY TARGET OF DIABETES, I MEAN IT'S PARKINSON'S
17 AND M.S. AND CANCER AND ALZHEIMER'S AND A WHOLE SPECTRUM.

18 DR. PRIETO: ALTHOUGH CERTAINLY THE FACT THAT
19 THEY'RE USING DIABETES AS A MODEL CAUGHT MY EYE, I WAS
20 STRUCK BY, ALTHOUGH THERE IS SOME RISK HERE, THE
21 POTENTIAL APPLICATIONS, THE UPSIDE, IF YOU WILL, IS
22 REALLY VERY STRONG. I THINK IT'S WORTHWHILE TO FUND.

23 CHAIRMAN KLEIN: ADDITIONAL COMMENTS? PUBLIC
24 COMMENTS? CALL THE QUESTION. RESTATE THE QUESTION AND
25 CALL THE QUESTION. PLEASE ASSUME THAT WHEN I ASK TO CALL

BARRISTERS' REPORTING SERVICE

1 THE QUESTION, YOU ARE GOING TO RESTATE THE QUESTION.

2 MS. PACTER: THE MOTION IS TO MOVE APPLICATION
3 NO. 554 TO TIER 1 FOR FUNDING. THE RECUSALS ARE GOLDBERG
4 AND LANSING.

5 MS. KING: RICARDO AZZIZ.

6 DR. AZZIZ: FOR.

7 MS. KING: ROBERT BIRGENEAU.

8 DR. BIRGENEAU: NO.

9 MS. KING: FLOYD BLOOM.

10 DR. BLOOM: YES.

11 MS. KING: DAVID BRENNER.

12 DR. BRENNER: YES.

13 MS. KING: ALBERT BENNETT.

14 DR. BENNETT: ABSTAIN.

15 MS. KING: MARCY FEIT.

16 MS. FEIT: YES.

17 MS. KING: MICHAEL FRIEDMAN.

18 DR. FRIEDMAN: YES.

19 MS. KING: LEEZA GIBBONS.

20 MS. GIBBONS: YES.

21 MS. KING: FRANK MARKLAND.

22 DR. MARKLAND: NO.

23 MS. KING: BOB KLEIN.

24 CHAIRMAN KLEIN: YES.

25 MS. KING: GERALD LEVEY.

BARRISTERS' REPORTING SERVICE

1 DR. LEVEY: YES.
2 MS. KING: TED LOVE.
3 DR. LOVE: YES.
4 MS. KING: ED PENHOET.
5 DR. PENHOET: NO.
6 MS. KING: CLAIRE POMEROY.
7 DR. POMEROY: YES.
8 MS. KING: FRANCISCO PRIETO.
9 DR. PRIETO: YES.
10 MS. KING: DUANE ROTH.
11 MR. ROTH: YES.
12 MS. KING: JEFF SHEEHY.
13 MR. SHEEHY: YES.
14 MS. KING: JONATHAN SHESTACK.
15 MR. SHESTACK: YES.
16 MS. KING: OSWALD STEWARD.
17 DR. STEWARD: YES.
18 MS. KING: JANET WRIGHT.
19 DR. WRIGHT: YES.
20 MS. KING: THAT MOTION CARRIES.
21 CHAIRMAN KLEIN: OKAY. ANY ADDITIONAL MOTIONS
22 BY THE MEMBERS?
23 MR. SHEEHY: I JUST WANT TO MAKE THE POINT THAT
24 WE ARE ACTUALLY AT OUR TARGET IN TERMS OF BASIC
25 SCIENTISTS. WE'RE AT 15, WHICH WAS OUR RFA TARGET. JUST

BARRISTERS' REPORTING SERVICE

1 TO PUT THAT OUT.

2 MR. ROTH: MR. CHAIR, COULD WE SEE THE TOTAL IN
3 TIER 1?

4 CHAIRMAN KLEIN: TIER 1 IS AT THE BOTTOM RIGHT
5 IN GREEN IS 54 MILLION 376; IS THAT CORRECT, DR. OLSON?

6 DR. OLSON: IF SHE'S MOVED THE OTHER ONE. I
7 JUST WANTED TO MAKE THE POINT AND BRING IT TO THE BOARD'S
8 ATTENTION THAT OF ALL THE ONES THAT HAVE BEEN IN THE
9 MIDDLE TIER, TIER 2, YOU HAVE DISCUSSED THEM ALL. AND I
10 REALIZE THIS IS AN ALL EXCEPT ONE, WHICH IS 549, AND, YOU
11 KNOW, IT'S OBVIOUSLY AT THE BOARD'S DISCRETION, BUT I
12 WANT TO MAKE SURE THAT YOU ARE AWARE OF THE FACT THAT YOU
13 HAVE DISCUSSED ALL APPLICATIONS EXCEPT THAT ONE.

14 CHAIRMAN KLEIN: ALL RIGHT. WHAT'S THE BOARD'S
15 PLEASURE?

16 DR. AZZIZ: I MOVE THAT WE HEAR A PRECIS ABOUT
17 549.

18 CHAIRMAN KLEIN: CAN WE HAVE THE CONFLICTS, AND
19 WE'LL LISTEN TO THIS WITHOUT A MOTION FOR THE MEMBERS TO
20 DECIDE IF THEY WANT TO HAVE A MOTION.

21 MS. PACHTER: MR. CHAIR, COULD YOU REPEAT THE
22 APPLICATION NUMBER?

23 CHAIRMAN KLEIN: 549.

24 MS. PACHTER: 549, THE RECUSALS ARE BENNETT,
25 FEIT, LANSING, POMEROY, AND SHEEHY.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: AND, DR. HARI , IF YOU WILL
2 MAKE THIS SUFFICIENTLY DETAILED, BUT RELATIVELY SHORT SO
3 WE CAN GET A CONCEPT DOWN AS TO WHETHER WE WANT TO MOVE
4 FORWARD.

5 DR. HARI: THIS IS A STYLED APPLICATION WE'VE
6 DISCUSSED A COUPLE OF TIMES TODAY WHERE THE PRINCIPAL
7 INVESTIGATOR IS STRONGER THAN THE RESEARCH PLAN IN TERMS
8 OF THE THREE LEGS OF THE STOOL. THE TITLE OF THIS
9 APPLICATION IS "EPIGENETIC DETERMINANTS OF NORMAL AND
10 TUMOR STEM CELL BIOLOGY AND THE BASIC STUDIES TO FIND THE
11 DIFFERENCES BETWEEN THOSE TWO TYPES OF CELLS. "

12 THE FOCUS HERE IS ON N-MYC, AND N-MYC IS ONE
13 MEMBER OF THE MYC GENE FAMILY. AND MANY OF YOU KNOW THAT
14 C-MYC IS ONE OF THE FACTORS USED TO REPROGRAM HUMAN AND
15 MOUSE EMBRYONIC STEM CELLS BACK TO PLURIPOTENCY.

16 I DO NOTE THAT RECENT STUDIES SHOW THAT N-MYC
17 CAN REPLACE C-MYC, BUT THAT MYC ALL TOLD MAY NOT BE AN
18 ABSOLUTE REQUIREMENT FOR THIS REPROGRAMMING. SO THE GOAL
19 OF THIS STUDY REALLY IS TO LOOK AT THE EFFECTIVE N-MYC IN
20 TUMOROGENESIS, NOTING THAT OVEREXPRESSION OF THIS FACTOR
21 IN TRANSGENIC MICE CAUSES NEUROBLASTOMAS.

22 THE CLINICAL RELEVANCE IN THIS PARTICULAR
23 APPLICATION IS REALLY BASED ON THIS UNDERSTANDING OF THE
24 TUMOROGENIC POTENTIAL OF HUMAN EMBRYONIC STEM CELLS. AND
25 WHAT I'LL DO IS JUST DESCRIBE THE APPLICANT BECAUSE THIS

BARRISTERS' REPORTING SERVICE

1 INVESTIGATOR IS VERY TALENTED AND HAS MADE MANY
2 CONTRIBUTIONS TO THE FIELD AS SHOWN BY THE PUBLICATION
3 RECORD WHERE THIS APPLICANT WAS A VERY SUCCESSFUL
4 POSTDOCTORAL FELLOW.

5 ALL OF THE GRANTS THAT THIS INDIVIDUAL HAS AND
6 AWARDS FROM SEVERAL AGENCIES ARE FOCUSED ON THE FUNCTION
7 OF MYC IN NEUROPROGENITORS AND NERVOUS SYSTEM TUMORS. IN
8 FACT, THE PRINCIPAL INVESTIGATOR PRESENTS A COMPREHENSIVE
9 PLAN FOR FUTURE CAREER DEVELOPMENT.

10 IN TERMS OF THE THIRD LEG OF THE STOOL, THE
11 INSTITUTION HAS PROVIDED A VERY STRONG LETTER DOCUMENTING
12 INSTITUTIONAL COMMITMENT, AND ONE REVIEWER FELT THAT THIS
13 IS THE BEST INSTITUTION FOR THIS TYPE OF STUDY THAT THE
14 PRINCIPAL INVESTIGATOR PROPOSES. THE PI HAS ACCESS TO
15 EXCELLENT SHARED RESOURCES, AND RESEARCH AT THIS
16 INSTITUTION WAS CONSIDERED OUTSTANDING WITH A GROWING
17 PROGRAM.

18 THE OVERALL CRITICISM OF THE PROPOSAL WAS,
19 AGAIN, THAT THE APPLICATION WAS NOT AS STRONG AS IT COULD
20 HAVE BEEN GIVEN THE STRENGTH OF THE PRINCIPAL
21 INVESTIGATOR. AND MANY OF THE STUDIES WERE CONSIDERED
22 THAT THEY TOOK A PURELY BASIC SCIENCE APPROACH TO TRYING
23 TO UNDERSTAND THE ROLE OF N-MYC IN TUMOR CELL BIOLOGY.

24 CHAIRMAN KLEIN: ALL RIGHT. IS THERE A MOTION?

25 DR. BIRGENEAU: I MOVE THAT WE MOVE IT UP INTO

BARRISTERS' REPORTING SERVICE

1 THE FIRST TIER.

2 CHAIRMAN KLEIN: DR. BIRGENEAU HAS MADE A
3 MOTION. IS THERE A SECOND?

4 DR. WRIGHT: SECOND.

5 CHAIRMAN KLEIN: SECOND, DR. WRIGHT.
6 DISCUSSION?

7 DR. PRIETO: I NOTICE IN THE DISCUSSION THAT
8 ONE REVIEWER FELT THAT, QUOTE, THE PROPOSAL IS NARROW IN
9 ITS APPROACH AND NOT PARTICULARLY INNOVATIVE. THERE'S
10 NOT ENOUGH BIOLOGY TO CONTEXTUALIZE RESULTS BECAUSE MYC
11 IS INVOLVED IN MANY PROCESSES. AND GOING THROUGH THAT
12 AND THE REST OF THIS, IT SEEMS TO ME WE WOULD ALMOST BE
13 REWARDING THIS INVESTIGATOR FOR HAVING HAD A VERY GOOD
14 CAREER UP TO THIS POINT RATHER THAN FOR DOING ANYTHING
15 THAT'S PARTICULARLY STRONG OR APPLICABLE TO OUR MISSION
16 AT CIRM.

17 CHAIRMAN KLEIN: AND IN TERMS OF THE STAFF, IS
18 THIS SOMEONE WE'RE RECRUITING INTO THIS FIELD WITH A
19 STRONG BACKGROUND CAREER, OR WHAT IS THE CONTEXT FOR
20 EVALUATING THIS?

21 DR. HARI: THE INDIVIDUAL IS A VERY STRONG
22 PRINCIPAL INVESTIGATOR HAVING PUBLISHED ON N-MYC. AND I
23 THINK THE QUESTION HERE, PROBABLY THE OVERALL QUESTION OF
24 THE PROPOSAL, IS REALLY TO DESCRIBE WHETHER OR NOT THE
25 DEFECTS IN NEUROGENESIS THAT ARE SEEN WHEN N-MYC IS OVER

BARRISTERS' REPORTING SERVICE

1 OR UNDEREXPRESSED ARE A STEM CELL DEFECT PER SE. SO THE
2 APPLICANT HAS QUITE A BIT OF EXPERIENCE IN STUDYING
3 N-MYC, QUITE A BIT OF EXPERIENCE IN STUDYING THE EFFECTOR
4 MOLECULE THAT HE OR SHE PROPOSES TO STUDY, AND QUITE A
5 BIT OF EXPERIENCE IN THE TECHNOLOGIES THAT THEY PROPOSE.
6 HOWEVER, THERE IS THE ONE QUESTION OF HOW RELEVANT IS
7 N-MYC TO STEM CELL BIOLOGY, AND, AGAIN, I DO NOTE THE
8 WORK OF MYC ITSELF IN TERMS OF REPROGRAMMING CELLS AND
9 THE FACT THAT N-MYC APPEARS TO BE ABLE TO COMPENSATE FOR
10 C-MYC IN THAT BIOLOGICAL ASPECT.

11 CHAIRMAN KLEIN: SO YOUR COMMENT IS THAT IT MAY
12 BE VERY RELEVANT.

13 DR. HARI: IT COULD BE, AND I THINK THAT'S THE
14 DECISION BEFORE YOU.

15 CHAIRMAN KLEIN: OKAY. THANK YOU. ADDITIONAL
16 COMMENTS?

17 DR. MURPHY: MR. CHAIRMAN, I RECALL THE
18 DISCUSSION OF THIS GRANT. AND AS YOU WELL KNOW, THERE'S
19 SOLID EVIDENCE THAT SOME SOLID TUMORS ACTUALLY ARISE FROM
20 STEM CELLS WITHIN THE TUMOR. SO THE IDEA OF LOOKING AT
21 THE STEMNESS OF TUMOR CELLS IS A VERY CRITICAL ONE, AND
22 THE EPIGENETIC CONTROL OF WHY A CELL COULD BE A TUMOR
23 STEM CELL OR NOT A TUMOR STEM CELL IS VERY CRITICAL.

24 SO THE FEELING HERE THAT THIS IS A VERY STRONG
25 SCIENTIST. IT'S A SCIENTIST WHO REALLY CARES ABOUT

BARRISTERS' REPORTING SERVICE

1 CANCER, BUT IS ALSO LOOKING AT THE ROLE OF STEM CELLS IN
2 THOSE CANCERS. SO I THINK THAT WAS THE REASON THAT IT
3 WAS ACTUALLY QUITE POSITIVELY REVIEWED, ALTHOUGH IT WAS
4 NOT DIRECTLY A STEM CELL GRANT.

5 CHAIRMAN KLEIN: OKAY. THANK YOU. SO ANY
6 ADDITIONAL COMMENTS? PUBLIC COMMENTS? COULD THE
7 QUESTION BE RESTATED AND WE THEN HAVE A ROLL CALL.

8 MS. PACTHER: THE MOTION IS TO MOVE APPLICATION
9 549 TO TIER 1 FOR FUNDING.

10 MS. KING: CONFLICTS ARE BENNETT, FEIT,
11 LANSING, POMEROY, AND SHEEHY.

12 MS. KING: RICARDO AZZIZ.

13 DR. AZZIZ: AGAINST.

14 MS. KING: ROBERT BIRGENEAU.

15 DR. BIRGENEAU: YES.

16 MS. KING: FLOYD BLOOM.

17 DR. BLOOM: NO.

18 MS. KING: DAVID BRENNER.

19 DR. BRENNER: NO.

20 MS. KING: MICHAEL FRIEDMAN.

21 DR. FRIEDMAN: NO.

22 MS. KING: LEEZA GIBBONS.

23 MS. GIBBONS: NO.

24 MS. KING: MICHAEL GOLDBERG.

25 MR. GOLDBERG: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: FRANK MARKLAND.
2 DR. MARKLAND: YES.
3 MS. KING: BOB KLEIN.
4 CHAIRMAN KLEIN: YES.
5 MS. KING: GERALD LEVEY.
6 DR. LEVEY: NO.
7 MS. KING: TED LOVE.
8 DR. LOVE: NO.
9 MS. KING: ED PENHOET.
10 DR. PENHOET: YES.
11 MS. KING: FRANCISCO PRIETO.
12 DR. PRIETO: NO.
13 MS. KING: DUANE ROTH.
14 MR. ROTH: YES.
15 MS. KING: JONATHAN SHESTACK.
16 MR. SHESTACK: YES.
17 MS. KING: OSWALD STEWARD.
18 DR. STEWARD: NO.
19 MS. KING: JANET WRIGHT.
20 DR. WRIGHT: YES.
21 MS. KING: THAT MOTION FAILS NINE TO EIGHT.
22 CHAIRMAN KLEIN: OKAY. THANK YOU. AT THIS
23 POINT I'D LIKE TO ASK IF THERE'S ANY OTHER MOTIONS TO
24 MOVE ANYTHING OUT OF TIER 1 OR INTO TIER 1 OR OUT OF TIER
25 3 INTO TIER 1, ANY OTHER MOTIONS?

BARRISTERS' REPORTING SERVICE

1 SEEING NO OTHER MOTIONS, COUNSEL, IS IT NOW
2 APPROPRIATE TO HAVE A MOTION, AND HOPEFULLY A MOTION FROM
3 SOMEONE WHO HAS NO CONFLICTS WHATSOEVER AND A SECOND FROM
4 SOMEONE WHO HAS NO CONFLICTS WHATSOEVER, TO FUND ALL OF
5 THOSE THAT ARE NOW IN TIER 1? AND ALL OF THOSE WHO WOULD
6 THEN BE VOTING ON THIS WOULD BE VOTING FOR THOSE FOR
7 WHICH THEY HAVE NO CONFLICT AND/OR FOR WHICH THEY ARE NOT
8 ABSTAINING. IS THAT A CORRECT STATEMENT, COUNSEL?

9 MS. PACTER: THAT IS A CORRECT STATEMENT.

10 CHAIRMAN KLEIN: ALL RIGHT. WHO HAS A MOTION?

11 DR. PRIETO: SO MOVED.

12 DR. WRIGHT: SECOND.

13 CHAIRMAN KLEIN: SECOND, DR. WRIGHT.

14 DISCUSSION? NO DISCUSSION.

15 MS. LEWIS: I'M SORRY. I JUST WANT TO MAKE A
16 QUICK CLARIFICATION BECAUSE WE HAD A LITTLE TECHNICAL
17 DIFFICULTY WITH THE COMMUTER PROGRAM, THAT THERE ARE 16
18 SCIENTISTS AND 6 PHYSICIAN SCIENTISTS IN TIER 1. THE
19 SUBTOTAL OF 54.37 MILLION IS CORRECT, BUT THE NUMBERS,
20 JUST WANT TO MAKE SURE YOU'RE AWARE OF THAT.

21 CHAIRMAN KLEIN: THANK YOU VERY MUCH. PUBLIC
22 COMMENT?

23 MR. KRIEGSTEIN: ARNOLD KRIEGSTEIN FROM UCSF.
24 FIRST, I'D LIKE TO SAY THAT I APPLAUD THIS COMMITTEE'S
25 GOAL, WHICH IS TO FUND GIFTED INVESTIGATORS AT EARLY

BARRISTERS' REPORTING SERVICE

1 STAGES IN THEIR CAREERS. BUT BEFORE VOTING ON THIS
2 MOTION, I'D URGE YOU TO CONSIDER HOW THIS MOTION CAN GO
3 FORWARD IN A WAY THAT WOULD NOT DISADVANTAGE THE OTHER
4 GIFTED YOUNG FACULTY WITH INNOVATIVE, MERITORIOUS
5 RESEARCH PROGRAMS, MANY OF WHICH HAVE BEEN RATED HIGHER
6 BY THE SAME PEER REVIEWERS THAT EVALUATED THE GROUP YOU
7 JUST DISCUSSED, BUT HAVE NOT YET HAD AN OPPORTUNITY TO BE
8 CONSIDERED BECAUSE THEIR APPLICATIONS HAVE BEEN
9 INVALIDATED.

10 CHAIRMAN KLEIN: THANK YOU. WE'VE HAD A
11 DISCUSSION ON THAT TOPIC. WE CAN ADDRESS THAT TOPIC
12 AFTER THIS VOTE. BUT ANY COMMENTS BY THE BOARD ARE
13 APPROPRIATE AT THIS TIME IF THEY'D LIKE TO MAKE A
14 COMMENT. SEEING NO ADDITIONAL COMMENTS, WE DEEPLY
15 RESPECT THE PRESENTATION AND THE WORK, DR. KRIEGSTEIN.

16 CAN WE HAVE A ROLL CALL AT THIS TIME.

17 MS. PACTER: I'M GOING TO RESTATE THE NUMBERS
18 OF THE APPLICATIONS IN TIER 1 FOR THE RECORD.

19 CHAIRMAN KLEIN: YES.

20 MS. PACTER: THIS IS A MOTION TO FUND ALL
21 APPLICATIONS IN TIER 1 INCLUDING APPLICATIONS 577, 561,
22 579, 566, 584, 527, 575, 529, 532, 564, 525, 544, 530,
23 557, 562, 572, 550, 536, 540, 535, 538, AND 554.

24 CHAIRMAN KLEIN: OKAY. MOTION TO FUND ALL OF
25 THOSE THAT HAVE BEEN -- WHOSE NUMBERS HAVE BEEN CITED BY

BARRISTERS' REPORTING SERVICE

1 COUNSEL.

2 MS. PACHTER: AND THE VOTE, WHEN YOU' RE ASKED
3 TO RESPOND TO THE ROLL CALL, I F YOU' RE VOTING YES OR NO,
4 PLEASE REPLY THAT YOU' RE VOTING YES OR NO EXCEPT AS TO
5 THOSE APPLI CATIONS AS TO WHICH YOU ARE RECUSED.

6 CHAIRMAN KLEIN: AND/OR ABSTAINING.

7 MS. PACHTER: AND/OR ABSTAINING. I F YOU' RE
8 ABSTAINING, PLEASE LET US KNOW WHAT NUMBER APPLI CATION
9 YOU ARE ABSTAINING WITH RESPECT TO.

10 CHAIRMAN KLEIN: THANK YOU. CAN WE HAVE THE
11 ROLL CALL.

12 MS. KING: RICARDO AZZI Z.

13 DR. AZZI Z: YES, EXCEPT FOR THOSE APPLI CATIONS
14 WITH WHICH I HAVE A CONFLI CT.

15 MS. KING: ROBERT BIRGENEAU.

16 DR. BIRGENEAU: YES, EXCEPT FOR THOSE
17 APPLI CATIONS FOR WHICH I HAVE A CONFLI CT.

18 MS. KING: FLOYD BLOOM.

19 DR. BLOOM: YES, EXCEPT FOR THOSE APPLI CATIONS
20 WITH WHICH I HAVE A CONFLI CT.

21 MS. KING: DAVID BRENNER.

22 DR. BRENNER: YES, EXCEPT FOR THOSE
23 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

24 MS. KING: ALBERT BENNETT.

25 DR. BENNETT: YES, EXCEPT FOR THOSE

BARRISTERS' REPORTING SERVICE

1 APPLICATIONS FOR WHICH I HAVE A CONFLICT.

2 MS. KING: MARCY FEIT.

3 MS. FEIT: YES, EXCEPT FOR THOSE APPLICATIONS
4 WITH WHICH I HAVE A CONFLICT.

5 MS. KING: MICHAEL FRIEDMAN.

6 DR. FRIEDMAN: YES, EXCEPT FOR THOSE
7 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

8 MS. KING: LEEZA GIBBONS.

9 MS. GIBBONS: YES.

10 MS. KING: MICHAEL GOLDBERG.

11 MR. GOLDBERG: YES, EXCEPT FOR THOSE
12 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

13 MS. KING: FRANK MARKLAND.

14 DR. MARKLAND: YES, EXCEPT FOR THOSE
15 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

16 MS. KING: BOB KLEIN.

17 CHAIRMAN KLEIN: YES.

18 MS. KING: SHERRY LANSING.

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

21 MS. KING: GERALD LEVEY.

22 DR. LEVEY: YES, EXCEPT FOR THOSE APPLICATIONS
23 WITH WHICH I HAVE A CONFLICT.

24 MS. KING: TED LOVE.

25 DR. LOVE: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: ED PENHOET.

2 DR. PENHOET: YES, EXCEPT FOR THOSE

3 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

4 MS. KING: CLAIRE POMEROY.

5 DR. POMEROY: YES, EXCEPT FOR THOSE

6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: FRANCISCO PRIETO.

8 DR. PRIETO: YES.

9 MS. KING: DUANE ROTH.

10 MR. ROTH: YES.

11 MS. KING: JEFF SHEEHY.

12 MR. SHEEHY: YES, EXCEPT FOR THOSE APPLICATIONS

13 WITH WHICH I HAVE A CONFLICT.

14 MS. KING: JONATHAN SHESTACK.

15 MR. SHESTACK: YES.

16 MS. KING: OSWALD STEWARD.

17 DR. STEWARD: YES, EXCEPT FOR THOSE

18 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

19 MS. KING: JANET WRIGHT.

20 DR. WRIGHT: YES.

21 MS. KING: THAT MOTION CARRIES.

22 CHAIRMAN KLEIN: THANK YOU. AT THIS POINT WE

23 ARE GOING TO GET ADVICE FROM COUNSEL.

24 MS. PACHTER: EXCUSE ME, MR. CHAIR, FOR THE

25 RECORD I THINK IT WILL BE IMPORTANT TO ENTERTAIN A MOTION

BARRISTERS' REPORTING SERVICE

1 NOT TO FUND ALL REMAINING APPLICATIONS THAT ARE NOT IN
2 TIER 2 SO THAT YOU WILL HAVE ACTED ON EACH AND EVERY
3 APPLICATION -- THAT ARE IN TIER 1.

4 CHAIRMAN KLEIN: THERE'S A QUESTION FROM DR.
5 PENHOET. HE DOESN'T SEE 538 IN THE LIST. THERE IT IS.
6 IT WAS IN THE LIST, AND IT WAS ONE OF THOSE YOU LISTED;
7 IS THAT CORRECT?

8 MS. PACTER: IT IS.

9 CHAIRMAN KLEIN: WE CAN'T BE TOO CAREFUL HERE.
10 SO THERE'S A MOTION IN ORDER NOT TO FUND THOSE THAT WE
11 HAVE AT THIS POINT NOT ADDRESSED.

12 MS. PACTER: ALL THOSE NOT IN TIER 1. MOTION
13 WOULD BE NOT TO FUND.

14 CHAIRMAN KLEIN: IS THERE SOMEONE LIKE TO MAKE
15 THAT MOTION?

16 DR. FRIEDMAN: SO MOVED.

17 CHAIRMAN KLEIN: HAS TO BE SOMEONE WITH NO
18 CONFLICTS.

19 MR. ROTH: SO MOVED.

20 MS. GIBBONS: SECOND.

21 MS. PACTER: SO THE MOTION IS BY ROTH AND THE
22 SECOND IS BY GIBBONS.

23 CHAIRMAN KLEIN: YES. THANK YOU. OKAY.
24 AGAIN, I'D LIKE TO ASK IS THERE ANY BOARD COMMENT? IS
25 THERE PUBLIC COMMENT? THE SAME INSTRUCTION APPLIES.

BARRISTERS' REPORTING SERVICE

1 PLEASE INDICATE IF YOU ARE VOTING AS AN ABSTENTION AS TO
2 WHICH APPLICATION IT'S AN ABSTENTION. THANK YOU. ROLL
3 CALL.

4 MS. PACHTER: THE MOTION IS NOT TO FUND
5 APPLICATIONS THAT ARE NOT IN TIER 1.

6 MS. KING: RICARDO AZZIZ.

7 DR. AZZIZ: YES, EXCEPT FOR THOSE WITH WHICH I
8 HAVE A CONFLICT.

9 MS. KING: ROBERT PRICE.

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

12 MS. KING: FLOYD BLOOM.

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

15 MS. KING: DAVID BRENNER.

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

18 MS. KING: ALBERT BENNETT.

19 DR. BENNETT: YES, EXCEPT FOR THOSE WITH WHICH
20 I HAVE A CONFLICT.

21 MS. KING: MARCY FEIT.

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

24 MS. KING: MICHAEL FRIEDMAN.

25 DR. FRIEDMAN: YES, EXCEPT FOR THOSE WITH WHICH

BARRISTERS' REPORTING SERVICE

1 I HAVE A CONFLICT.

2 MS. KING: LEEZA GIBBONS.

3 MS. GIBBONS: YES.

4 MS. KING: MICHAEL GOLDBERG.

5 MR. GOLDBERG: YES, EXCEPT FOR THOSE WITH WHICH

6 I HAVE A CONFLICT.

7 MS. KING: FRANK MARKLAND.

8 DR. MARKLAND: YES, EXCEPT FOR THOSE WITH WHICH

9 I HAVE A CONFLICT.

10 MS. KING: BOB KLEIN.

11 CHAIRMAN KLEIN: YES.

12 MS. KING: SHERRY LANSING.

13 MS. LANSING: YES, EXCEPT FOR THOSE WITH WHICH

14 I HAVE A CONFLICT.

15 MS. KING: GERALD LEVEY.

16 DR. LEVEY: YES, EXCEPT FOR THOSE WITH WHICH I

17 HAVE A CONFLICT.

18 MS. KING: TED LOVE.

19 DR. LOVE: YES.

20 MS. KING: ED PENHOET.

21 DR. PENHOET: YES, EXCEPT FOR THOSE WITH WHICH

22 I HAVE A CONFLICT.

23 MS. KING: CLAIRE POMEROY.

24 DR. POMEROY: YES, EXCEPT FOR THOSE WITH WHICH

25 I HAVE A CONFLICT.

BARRISTERS' REPORTING SERVICE

1 MS. KING: FRANCISCO PRIETO.

2 DR. PRIETO: YES.

3 MS. KING: DUANE ROTH.

4 MR. ROTH: YES.

5 MS. KING: JEFF SHEEHY.

6 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH WHICH I
7 HAVE A CONFLICT.

8 MS. KING: JONATHAN SHESTACK.

9 MR. SHESTACK: YES.

10 MS. KING: OSWALD STEWARD.

11 DR. STEWARD: YES, EXCEPT FOR THOSE WITH WHICH
12 I HAVE A CONFLICT.

13 MS. KING: JANET WRIGHT.

14 DR. WRIGHT: YES.

15 MS. KING: AND THAT MOTION CARRIES.

16 CHAIRMAN KLEIN: THANK YOU. IT IS IMPORTANT TO
17 NOTE HERE THAT WE ALLOCATED 85 MILLION FOR THIS PROGRAM.
18 WE ARE SIGNIFICANTLY SHORT ON THE M.D.'S THAT HAVE BEEN
19 APPROVED FROM OUR ORIGINAL INTENDED GOAL. AND WE'VE ALSO
20 DISCOVERED IN THIS PROCESS THAT THERE IS A GREAT DEAL OF
21 RECOGNITION OF THE CRITICAL IMPORTANCE FOR BUILDING NEW
22 FACULTY INFRASTRUCTURE.

23 VERY SPECIFICALLY, WE SET FORTH A GOAL OF
24 BUILDING THAT AND DISTRIBUTING THAT THROUGHOUT THE WHOLE
25 STATE, AND WE PUT A CAP OF FOUR POSITIONS PER INSTITUTION

BARRISTERS' REPORTING SERVICE

1 ON THIS SO WE COULD GET A DISTRIBUTION ACROSS THE LEADING
2 INSTITUTIONS IN THE STATE AND THE DEVELOPED INSTITUTIONS
3 WHERE THIS EXPERTISE WAS DEVELOPING.

4 IF I COULD HAVE A SENSE OF THE BOARD MEMBERS
5 WHETHER THEY'D LIKE TO SEE THE STAFF BRING BACK FOR
6 CONSIDERATION IN JANUARY A SUPPLEMENTAL OR ACTUALLY A NEW
7 ROUND THAT WOULD LOOK TO FURTHER ACHIEVE THESE OBJECTIVES
8 AND REACH SPECIFICALLY OUR OBJECTIVES WITH M.D.'S AS WELL
9 AS POTENTIALLY CONSIDERING RECOMMENDATIONS FROM STAFF ON
10 ADDING ADDITIONAL FUNDS THAT WERE NOT UTILIZED -- IN
11 ADDITION TO THE FUNDS THAT WERE NOT UTILIZED AND THE
12 DIFFERENCE BETWEEN THE 54 MILLION AND 85 MILLION.

13 CLEARLY HERE, AS I SAID, IN THE M.D. AREA, WE
14 FOUND WE HAVE NOT ACHIEVED OUR OBJECTIVES IN TERMS OF THE
15 BREADTH OF THIS PROGRAM. AND IN THE SCIENCE AREA I'LL
16 POINT OUT THAT WE HAVE LEARNED A GREAT DEAL THROUGH THIS
17 PROCESS, AND BUILDING THIS INFRASTRUCTURE IS A VERY
18 IMPORTANT PART OF CREATING THE FACULTY WHO WILL BE THE
19 LEADERS OF CALIFORNIA'S FUTURE IN THIS AREA AND OUR HOPE
20 FOR BREAKTHROUGHS AND THE DEPTH OF YOUNG TALENT TO
21 DEVELOP SOME OF THE BEST IDEAS OF OUR STATE.

22 SO IS THERE ANY BOARD COMMENTS ON WHETHER WE'D
23 LIKE TO SEE A NEW RFA IN JANUARY?

24 DR. STEWARD: SO THIS IS A COMPLICATED ISSUE,
25 AND I HAVE TO SAY NORMALLY I WOULD BE ROARINGLY

BARRISTERS' REPORTING SERVICE

1 ENTHUSIASTIC ABOUT IT, ESPECIALLY WITH THE POSSIBILITY OF
2 BRINGING ADDITIONAL CLINICALLY TRAINED INDIVIDUALS IN.
3 HOWEVER, I THINK WE NEED TO RECALL THE, I WOULD CALL IT,
4 A TECHNICAL GLITCH THAT LED TO THE ELIMINATION OF
5 INSTITUTIONS FROM THIS CURRENT ROUND. AND I THINK THAT
6 TO CHANGE THE GROUND RULES DURING A RECOMPETITION WOULD
7 BE UNFAIR. I WOULD RATHER SEE A RECOMPETITION ON THE
8 SAME GROUND RULES, AND THEN GO BACK AT A LATER TIME TO
9 TRY TO FILL IN THE PLACES THAT WE FAILED IN TERMS OF
10 RECRUITING M.D.'S.

11 CHAIRMAN KLEIN: I'M NOT SUGGESTING THAT WE
12 CHANGE THE GROUND RULES. IN FACT, I'M SUGGESTING THAT BY
13 HAVING ADDITIONAL FUNDS PLUS THE LEFT-OVER FUNDS THAT WE
14 CAN BUILD A STRONGER INFRASTRUCTURE ACROSS THE STATE
15 EXCEPT I MADE A SUGGESTION THAT ON A CUMULATIVE BASIS
16 THAT WE DO RECOGNIZE A CAP OF FOUR PER INSTITUTION AS A
17 MAXIMUM BECAUSE WE DO HAVE A GOAL OF BUILDING
18 INFRASTRUCTURE ACROSS THE WHOLE STATE. SO IT'S THE
19 CUMULATIVE BASIS BETWEEN ROUND ONE AND TWO.

20 DR. MURPHY: MR. CHAIRMAN, I THINK IT'S
21 IMPORTANT TO UNDERSTAND THE SENSE OF THE BOARD, BUT I
22 ALSO THINK WE NEED TO BE CAREFUL ABOUT PROCESS. AND AS
23 YOU WELL KNOW, THE PROCESS IS THAT STAFF COMES WITH A
24 CONCEPT BACK TO THE BOARD, WE DEVELOP THAT CONCEPT, WE GO
25 TO AN RFA, AND WE DO ALL OF THIS IN THE PROPER ORDER. SO

BARRISTERS' REPORTING SERVICE

1 I WOULD THINK IT WOULD BE AN ERROR FOR THE BOARD TO TAKE
2 A POSITION HERE BEYOND PERHAPS EXPRESSING THEIR VIEWS
3 ABOUT THE DIRECTIONS WE SHOULD GO IN.

4 AND WITH YOUR PERMISSION, WHAT I WOULD LIKE TO
5 DO, HAVING HEARD YOUR POINT, IS COME BACK IN JANUARY WITH
6 A STAFF CONCEPT ABOUT HOW WE COULD PERHAPS GO FORWARD
7 WITH THE GUIDANCE THAT YOU ARE PROVIDING, BUT I THINK WE
8 REALLY DO HAVE TO FOLLOW THE PROCEDURE IF THAT'S OKAY
9 WITH YOU.

10 CHAIRMAN KLEIN: I APPRECIATE THAT DIRECTION,
11 MR. PRESIDENT. SO SPECIFICALLY, YOU'RE SAYING THAT IF,
12 RATHER THAN TRY AND GET DOWN TO THE DETAILS OF THIS, WE
13 REALLY NEED TO HAVE A GENERAL EXPRESSION OF WHETHER WE
14 WANT TO SEE ANOTHER ROUND TO FORWARD THE OBJECTIVES THAT
15 WE HAVE SET OUT TO ACCOMPLISH WITH NEW FACULTY FOUNDATION
16 ACROSS THE STATE.

17 DR. MURPHY: I THINK THAT'S EXACTLY RIGHT.

18 CHAIRMAN KLEIN: ANY ADDITIONAL BOARD COMMENTS
19 ON WHETHER WE'D LIKE TO SEE A NEW ROUND TO FURTHER THESE
20 OBJECTIVES?

21 DR. AZZIZ: FIRST, I WANT MAKE SURE THAT I CAN
22 SPEAK ON THIS, COUNSEL? THERE'S NO CONFLICT.

23 DR. MURPHY: I THINK WE NEED TO BE CAREFUL
24 BECAUSE IT IS NOT AGENDIZED, ALTHOUGH I THINK IT DOES
25 RELATE TO THE PREVIOUS DISCUSSION.

BARRISTERS' REPORTING SERVICE

1 DR. AZZIZ: SO FOLLOWING --

2 CHAIRMAN KLEIN: SO CAN I HAVE A CLARIFICATION
3 FROM COUNSEL?

4 MS. PACHTER: IF THE ISSUE IS DISCUSSION OF THE
5 PROCESS FOR CONSIDERING A FOLLOW-ON RFA, I THINK YOU CAN
6 SPEAK TO THAT.

7 DR. AZZIZ: IN FACT, AND I APPRECIATE, RICHARD,
8 WHAT YOU SAID. I THINK WE SHOULDN'T BE MANDATED BECAUSE
9 THIS IS A COMPLEX ISSUE; HOWEVER, YOU MAY WANT TO GET A
10 SENSE FROM THE BOARD AS TO WHAT. I MEAN CHAIRMAN KLEIN
11 HAS ALREADY GIVEN HIS POINT OF VIEW, BUT I THINK YOU MAY
12 WANT TO GET SORT OF A SENSE FROM THE REST OF THE BOARD.

13 MS. PACHTER: AS A LEGAL MATTER, I JUST WANT TO
14 CAUTION THE BOARD THAT THIS -- IT SHOULD BE IN THE FORM
15 OF A MOTION.

16 CHAIRMAN KLEIN: RIGHT. THIS IS NOT A MOTION.
17 THESE ARE JUST IDEAS FROM INDIVIDUALS PURELY.

18 DR. AZZIZ: IT'S A FORM OF OPEN DISCUSSION,
19 WHICH IS WHY. SO PERSONALLY I JUST WANTED FOR THE RECORD
20 TO NOTE THAT I AM IN SUPPORT OF A SUPPLEMENTAL CALL FOR
21 FACULTY GRANTS BECAUSE I BELIEVE THAT THESE ARE ACTUALLY
22 SOME OF THE MORE FUNDAMENTAL GRANTS THAT WE WILL ACTUALLY
23 BE FUNDING IN THE LONG RUN. THIS IS WHERE WE WILL CREATE
24 THE GENERATION OF THE FUTURE. OTHERWISE EVERYTHING ELSE
25 WE'RE DOING IS A MOMENT IN TIME, AND WE HAVEN'T CREATED

BARRISTERS' REPORTING SERVICE

1 THE LEGACY THAT WE SHOULD.

2 SO I JUST WANTED THAT FOR THE RECORD AS AN
3 IMPRESSION, NO MOTION.

4 CHAIRMAN KLEIN: ADDITIONAL COMMENTS.

5 MR. GOLDBERG: I'D LIKE TO THANK DR.
6 KRIEGSTEIN FOR HIS COMMENTS EARLIER, AND I SUPPORT DR.
7 AZZIZ' COMMENTS.

8 CHAIRMAN KLEIN: ADDITIONAL COMMENTS FROM MY
9 RIGHT?

10 DR. PRIETO: YES. I ALSO WOULD SUPPORT THIS
11 IDEA, BUT I HAVE A QUESTION WHETHER THIS WOULD BE
12 FORESEEN AS SOMETHING THAT MIGHT INCLUDE RESUBMISSION OF
13 GRANTS THAT WERE DISQUALIFIED, OR IS THAT GOING TO BE A
14 SEPARATE?

15 CHAIRMAN KLEIN: MY UNDERSTANDING, I'LL ASK FOR
16 COUNSEL'S CLARIFICATION, IS THAT ON AN OPEN COMPETITION,
17 ANY OF THESE INDIVIDUALS CAN RESUBMIT AS A NEW
18 APPLICATION, THEY CAN MODIFY THEIR APPLICATION. THIS IS
19 A NEW APPLICATION THAT WE'RE CONSIDERING.

20 MS. PACHTER: IT WILL BE A NEW APPLICATION IN
21 RESPONSE TO A NEW RFA, DR. PRIETO, AND THE BOARD WILL
22 HAVE TO ALLOCATE FUNDS SEPARATELY FOR IT.

23 DR. PRIETO: SO THAT ANY SCIENTIFIC REVIEW
24 THAT'S PREVIOUSLY TAKEN PLACE WOULD HAVE TO BE REPEATED?

25 MS. PACHTER: THAT'S CORRECT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: IT'S A DE NOVO, CLEAN,
2 UNRELATED REVIEW.

3 DR. BLOOM: AS A GENERAL MATTER, PHYSICIAN
4 SCIENTISTS ARE AMONG THE RAREST BIRDS THAT WE HAVE IN OUR
5 FIELD THESE DAYS. SO WHATEVER THIS GROUP COULD DO TO
6 STIMULATE THAT IN THE AREA OF STEM CELL RESEARCH WOULD BE
7 VASTLY APPRECIATED AND GOOD FOR ALL OF BIOMEDICAL
8 SCIENCE.

9 CHAIRMAN KLEIN: ADDITIONAL COMMENTS?

10 MR. ROTH: I WOULD LIKE TO SPEAK IN SUPPORT,
11 AND NOT ONLY THAT, BUT ENCOURAGE THAT WE GO AS QUICKLY AS
12 WE CAN AND JUDICIOUSLY AS WE CAN.

13 CHAIRMAN KLEIN: ADDITIONAL COMMENTS? WITH
14 THAT, MARCY FEIT AND THEN WE'LL COME BACK TO DR. STEWARD.

15 MS. FEIT: I JUST WANT TO MAKE SURE THAT
16 WHATEVER PROCESS WE DO COME FORWARD IN THE FUTURE, THAT
17 THERE IS GREAT CONSIDERATION FOR THOSE GRANTS THAT COULD
18 NOT BE ADDRESSED TODAY, THAT THE PROCESS DOES ADDRESS
19 THAT THEY CAN REAPPLY.

20 CHAIRMAN KLEIN: MARCY, WE CAN ALLOW THEM
21 LEGALLY AN OPTION -- A CLEAN OPTION TO COMPETE, BUT WE
22 CANNOT GIVE THEM SPECIAL CONSIDERATION.

23 DR. STEWARD: MY POINT IS A VERY TECHNICAL ONE,
24 AND I'M SURE YOU GUYS ARE MORE AHEAD OF THIS THAN I AM,
25 BUT JUST THE POINT OF THE ELIGIBILITY, YEARS IN GRADE.

BARRISTERS' REPORTING SERVICE

1 SO IT MIGHT BE THAT SOME OF THE PEOPLE WHO WERE
2 TECHNICALLY EXCLUDED THIS ROUND MIGHT FALL OFF THE
3 ELIGIBILITY CURVE. JUST TO SORT OF THINK ABOUT THAT AS
4 WHATEVER YOU'RE PUTTING FORWARD AS A NEW RFA.

5 CHAIRMAN KLEIN: THANK YOU VERY MUCH. ALL
6 RIGHT. ANY PUBLIC COMMENT?

7 MR. SIMPSON: JOHN SIMPSON FOR THE FOUNDATION
8 FOR TAXPAYERS AND CONSUMER RIGHTS. THE PROCESS IS
9 TREMENDOUSLY IMPORTANT, AND I THINK SOME VERY FINE
10 RESEARCHERS WERE UNFORTUNATELY VICTIM OF THAT THIS TIME
11 AROUND. AND SO I WOULD ADVOCATE THAT ALL DUE SPEED BE
12 GIVEN TO A NEW ROUND HERE THAT WOULD INCLUDE NEW
13 APPLICATIONS. I THINK IT'S ABSOLUTELY ESSENTIAL THAT
14 THAT BE DONE. BUT I ALSO THINK THAT IT'S ABSOLUTELY
15 ESSENTIAL THAT YOU, AS DR. MURPHY JUST SAID, GET PROCESS
16 IN ORDER AND MAKE SURE IT GOES WELL.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH. ALL
18 RIGHT. SO COUNSEL AND STAFF, WILL WE BE ADJOURNING TO AN
19 EXECUTIVE SESSION? AND, COUNSEL, WOULD YOU PLEASE READ
20 THE PREAMBLE FOR THE JUSTIFICATION FOR THAT EXECUTIVE
21 SESSION?

22 MS. PACHTER: WE'RE MOVING INTO EXECUTIVE
23 SESSION FOR A DISCUSSION OF PERSONNEL PURSUANT TO
24 GOVERNMENT CODE SECTION 11126(A) AND HEALTH AND SAFETY
25 CODE SECTION 125290.30(D)(3)(D).

BARRISTERS' REPORTING SERVICE

1 MR. SIMPSON: CAN I ASK A QUESTION ABOUT THAT?
2 THAT WOULD NOT INCLUDE ANY DISCUSSION OF ACTIONS BY BOARD
3 MEMBERS OR CONFLICTS OF INTEREST OR ANYTHING LIKE THAT AS
4 THOSE WOULD NOT BE PERSONNEL MATTERS, CORRECT?

5 CHAIRMAN KLEIN: NO. WE'RE JUST DEALING WITH
6 PERSONNEL.

7 MR. SIMPSON: JUST PERSONNEL NEW HIRES, THAT
8 KIND OF THING?

9 CHAIRMAN KLEIN: THAT'S CORRECT. OKAY. AND WE
10 ARE ADJOURNING INTO THIS ROOM?

11 MS. PACHTER: YES.

12 CHAIRMAN KLEIN: AND SO WE'RE ADJOURNING INTO
13 THIS ROOM. IF THE PUBLIC WILL PLEASE GIVE US THE CHANCE
14 TO HAVE THIS PERSONNEL SESSION. AND IF THEY WOULD TAKE
15 THIS TIME TO GET THEIR LUNCH BECAUSE I BELIEVE WE WILL BE
16 EATING LUNCH DURING THIS TIME. AND, DR. MURPHY, WHAT'S
17 YOUR ESTIMATE OF TIME HERE?

18 DR. MURPHY: I WOULD SAY WE COULD PROBABLY GET
19 EVERYTHING DONE WITHIN 20 MINUTES.

20 CHAIRMAN KLEIN: WELL, GIVEN THAT THE BOARD
21 EATS MORE SLOWLY, MAYBE WE SHOULD GIVE THEM 20 MINUTES TO
22 LISTEN AND 20 MINUTES TO EAT.

23 DR. MURPHY: WE MIGHT WANT TO THINK ABOUT A
24 WORKING LUNCH, MR. CHAIRMAN. IS THAT WHAT WE'RE
25 CONSIDERING?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: YES. SO A COMPROMISE, 30
2 MINUTES, BUT BE PREPARED IF WE'RE MORE EXPEDITIOUS THAN
3 THAT.

4 (A RECESS WAS TAKEN.)

5 CHAIRMAN KLEIN: AS WE INVITE THE PUBLIC BACK
6 INTO THIS SESSION, WE HAVE SOME REALLY IMPORTANT ITEMS
7 AND WE NEED TO MOVE VERY EFFECTIVELY. OKAY. AS ITEM NO.
8 13, COULD COUNSEL PLEASE CITE THE RESULTS OF THE ITEM
9 DESIGNATED TO BE BROUGHT FROM THE EXECUTIVE SESSION TO
10 THE PUBLIC SESSION.

11 MR. HARRISON: IT WOULD PROBABLY BE APPROPRIATE
12 FOR DR. MURPHY TO MAKE THE ANNOUNCEMENT.

13 CHAIRMAN KLEIN: DR. MURPHY, WOULD YOU LIKE TO
14 MAKE THE ANNOUNCEMENT RELATED TO ITEM 13 AS TO
15 PRESIDENT'S COMPENSATION?

16 MR. HARRISON: I'M SORRY. I THOUGHT WE WERE
17 FIRST GOING TO THE CLOSED SESSION AND ACTION, PUBLIC
18 REPORT FROM THE CLOSED SESSION.

19 CHAIRMAN KLEIN: YOU ARE CORRECT. IN TERMS OF
20 THE CLOSED SESSION, DO WE HAVE ONE ITEM OR TWO ITEMS?

21 MR. HARRISON: ONE.

22 CHAIRMAN KLEIN: ONE ITEM. DR. MURPHY.

23 DR. MURPHY: YES, MR. CHAIRMAN, I WANT TO THANK
24 THE BOARD FOR APPROVING THE APPOINTMENT OF DON GIBBONS AS
25 THE NEW CHIEF COMMUNICATION OFFICER OF CIRM. DON IS

BARRISTERS' REPORTING SERVICE

1 CURRENTLY THE ASSOCIATE DEAN FOR PUBLIC AFFAIRS AT
2 HARVARD MEDICAL SCHOOL. HE HAS A LONG HISTORY IN THE
3 PUBLICATION INDUSTRY, AT STANFORD UNIVERSITY, AND FOR THE
4 PAST NUMBER OF YEARS AT HARVARD MEDICAL. AND WITH YOUR
5 APPROVAL OF HIS APPOINTMENT, DON IS EXPECTED TO BE AT
6 CIRM BY MID-FEBRUARY.

7 MR. CHAIRMAN, I THINK JAMES WILL TALK ABOUT THE
8 FINANCIAL ARRANGEMENTS THAT WE HAVE ESTABLISHED WITH HIM.

9 CHAIRMAN KLEIN: THANK YOU.

10 MR. HARRISON: THE TERMS OF DON GIBBONS'
11 APPOINTMENT WOULD BE AS FOLLOWS: HIS SALARY IS ACTUALLY
12 CONTINGENT UPON ACTION THAT THE BOARD'S GOING TO
13 HOPEFULLY BE TAKING A COUPLE OF AGENDA ITEMS DOWN. IF
14 THE BOARD APPROVES A RELOCATION ALLOWANCE POLICY, THEN
15 MR. GIBBONS' SALARY WILL BE \$190,000. IF THE BOARD DOES
16 NOT APPROVE THAT POLICY, HIS SALARY WILL BE \$195,000.

17 THE RELOCATION ALLOWANCE THAT WE HAVE PROPOSED
18 WOULD BE \$15,000, WHICH IS 7.8 PERCENT OF HIS ANNUAL
19 COMPENSATION, AND IT WOULD BE PAYABLE AT THE END OF THE
20 THIRD PAY PERIOD FOLLOWING HIS START DATE.

21 THOSE ARE THE TERMS OF HIS APPOINTMENT, AND WE
22 WOULD ASK THAT THE BOARD, BY A MOTION, APPROVE THE
23 COMPENSATION PACKAGE I'VE JUST DESCRIBED.

24 CHAIRMAN KLEIN: IS THERE A MOTION FOR
25 APPROVAL?

BARRISTERS' REPORTING SERVICE

1 DR. LEVEY: SO MOVED.

2 DR. LOVE: SECOND.

3 CHAIRMAN KLEIN: DR. LEVEY, SECOND BY DR. LOVE.

4 BOARD COMMENTS? PUBLIC COMMENTS? SEEING NONE, ALL IN
5 FAVOR? OPPOSED? MOTION PASSES.

6 CAN WE PROCEED TO THEN ITEM 13.

7 MR. HARRISON: YES. ANOTHER ITEM THAT IS A
8 CARRY-OVER FROM THE BOARD'S LAST MEETING RELATES TO DR.
9 TROUNSON'S APPOINTMENT. THERE WAS ONE ITEM WHICH WAS
10 PART OF HIS COMPENSATION FOR WHICH WE NEEDED TO DO SOME
11 DUE DILIGENCE AND CONSULT WITH OTHER STATE OFFICIALS. WE
12 HAVE DONE SO AND ARE NOW READY TO PROPOSE THAT THE BOARD
13 APPROVE AN ADDITIONAL COMPENSATION TERM FOR DR. TROUNSON.

14 THIS WOULD BE A PAYMENT OF UP TO 12 MONTHS BASE
15 SALARY IF DR. TROUNSON WERE TERMINATED WITHOUT CAUSE BY
16 THE BOARD DURING THE FIRST 36 MONTHS OF HIS EMPLOYMENT.
17 THE PACKAGE COULD NOT EXCEED 12 MONTHS BASE SALARY, AND
18 IT WOULD DEPEND UPON HOW LONG DR. TROUNSON HAD SERVED.
19 FOR EXAMPLE, IF HE WERE TERMINATED AFTER 12 MONTHS, HE
20 WOULD BE ENTITLED TO ONLY 12 MONTHS' COMPENSATION. IF,
21 HOWEVER, HE WERE TERMINATED AFTER 30 MONTHS, HE'D ONLY BE
22 ENTITLED TO SIX MONTHS' SALARY.

23 CHAIRMAN KLEIN: YOU ARE TALKING ABOUT IF HE
24 WERE HERE FOR 12, HE WOULD GET ANOTHER 12 MONTHS'
25 SEVERANCE?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: CORRECT.

2 CHAIRMAN KLEIN: BUT IF HE'S TERMINATED IN THE
3 30TH MONTH, HE WOULD GET ANOTHER SIX MONTHS' SEVERANCE.

4 MR. HARRISON: CORRECT.

5 CHAIRMAN KLEIN: ANY QUESTIONS BY THE BOARD?
6 IS THERE A MOTION?

7 MR. ROTH: MOTION TO APPROVE.

8 CHAIRMAN KLEIN: SECOND?

9 DR. FRIEDMAN: SECOND.

10 CHAIRMAN KLEIN: SECOND, DR. FRIEDMAN.
11 COMMENTS? PUBLIC COMMENT? ALL IN FAVOR? OPPOSED?

12 NO. 14, RELOCATION ALLOWANCE.

13 MR. HARRISON: THIS IS A POLICY THAT WE BROUGHT
14 TO THE GOVERNANCE SUBCOMMITTEE FOR CONSIDERATION. THIS
15 IS A POLICY THAT WOULD AUTHORIZE THE PRESIDENT OF CIRM
16 TO, IN HIS RECRUITMENT OF CANDIDATES FROM OUT OF STATE,
17 OFFER CANDIDATES A RELOCATION ALLOWANCE TO HELP THEM
18 ADJUST TO THE COST OF LIVING DIFFERENCES IN CALIFORNIA.

19 THE POLICY THAT'S BEFORE YOU IS MODELED VERY
20 CLOSELY ON THE UNIVERSITY OF CALIFORNIA RELOCATION
21 POLICY. AND AS YOU KNOW, THE ICOC HAS THE POWER UNDER
22 PROPOSITION 71 TO SET THE COMPENSATION OF CIRM EMPLOYEES
23 WITHIN THE RANGE OF COMPENSATION FOR INDIVIDUALS IN
24 SIMILAR POSITIONS AT THE INSTITUTIONS FROM WHICH MEMBERS
25 OF THIS BOARD ARE APPOINTED.

BARRISTERS' REPORTING SERVICE

1 THE ESSENTIAL TERMS OF THE RELOCATION ALLOWANCE
2 POLICY ARE AS FOLLOWS: ONLY THOSE EMPLOYEES WHO ARE
3 RECRUITED FROM OUT OF THE STATE OF CALIFORNIA TO
4 POSITIONS IN SALARY LEVEL 6 THROUGH 10 WOULD BE ELIGIBLE.
5 THE TOTAL RELOCATION ALLOWANCE WOULD BE CAPPED AT 25
6 PERCENT OF THE EMPLOYEE'S BASE SALARY, BUT NOT TO EXCEED
7 \$75,000. IF THE RELOCATION ALLOWANCE WAS 10 PERCENT OR
8 LESS OF THE EMPLOYEE'S ANNUALIZED BASE SALARY AND NO MORE
9 THAN \$25,000, IT WOULD BE PAYABLE AT THE END OF THE THIRD
10 PAY PERIOD AFTER THE EMPLOYEE'S START DATE IN A LUMP-SUM
11 PAYMENT. IF IT'S OVER 10 PERCENT, THEN IT WOULD BE
12 PAYABLE OVER A FOUR-YEAR PERIOD, 40 PERCENT AT THE END OF
13 THE FIRST YEAR, 30 PERCENT AT THE END OF THE SECOND YEAR,
14 20 PERCENT AT THE END OF THE THIRD YEAR, AND 10 PERCENT
15 AT THE END OF THE FOURTH YEAR.

16 IMPORTANTLY, IF AN EMPLOYEE FAILED TO COMPLETE
17 HIS OR HER FIRST FULL YEAR OF EMPLOYMENT AT CIRM AFTER
18 HAVING RECEIVED A RELOCATION ALLOWANCE, THE EMPLOYEE
19 WOULD BE REQUIRED TO REPAY IT TO CIRM IN FULL. AND
20 FINALLY, FOR PURPOSES OF THE PRESIDENT'S APPROVAL
21 AUTHORITY AND FOR THE APPROVAL AUTHORITY OF THE
22 GOVERNANCE SUBCOMMITTEE, THE RELOCATION ALLOWANCE WOULD
23 BE INCLUDED WITHIN THE INDIVIDUAL'S BASE SALARY. AND
24 ALSO SIGNIFICANTLY, THE POLICY WOULD REQUIRE THAT
25 RELOCATION ALLOWANCES BE REPORTED PUBLICLY TO THE BOARD

BARRISTERS' REPORTING SERVICE

1 IF BOARD ACTION IS NOT REQUIRED AT THE ICOC MEETING NEXT
2 FOLLOWING THE APPOINTMENT OF THE EMPLOYEE, SO WE ENSURE
3 THAT THERE'S FULL DISCLOSURE TO THE BOARD AND FULL
4 DISCLOSURE TO THE PUBLIC.

5 CHAIRMAN KLEIN: THANK YOU. BOARD COMMENT? IS
6 THERE A MOTION TO SUPPORT?

7 DR. WRIGHT: I MOVE APPROVAL.

8 CHAIRMAN KLEIN: DR. WRIGHT.

9 DR. AZZIZ: SECOND.

10 CHAIRMAN KLEIN: SECOND FROM -- WHO IS THAT
11 DOWN THERE AT THE END? DR. AZZIZ. I THOUGHT IT WAS DOWN
12 THERE. DR. AZZIZ, I CAN SEE YOU CLEARLY. OUR LEAD
13 BATTER.

14 SO ADDITIONAL COMMENTS FROM THE BOARD? PUBLIC
15 COMMENT? SEEING NONE, CALL THE QUESTION. ALL IN FAVOR?
16 OPPOSED?

17 WE HAVE JUST A FEW MINUTES HERE BEFORE WE LOSE
18 OUR QUORUM. SO WE HAVE SOME CRITICAL SCIENTIFIC PEER
19 REVIEW SESSIONS COMING UP HERE AND A NEED TO RECRUIT FOR
20 NEW SCIENTIFIC PEER REVIEW WITH SOME LEAD TIME. I'M
21 ACTUALLY GOING TO DO NO. 17. DR. SAMBRANO, IF YOU COULD
22 DO -- COUNSEL, THEY CAN DO 17 A AND B SEPARATELY OR
23 TOGETHER?

24 MS. PACHTER: SEPARATELY.

25 CHAIRMAN KLEIN: SEPARATELY. GIL, 17 A FIRST,

BARRISTERS' REPORTING SERVICE

1 AND THEN WE' LL HAVE A PAUSE FOR A MOTION. JUST GIVE US
2 THE BOTTOM LINE BECAUSE I THINK WE ALL HAVE SEEN THE
3 BIOSKETCHES OF THE INDIVIDUALS.

4 DR. SAMBRANO: SO WE ARE BRINGING FOR YOUR
5 CONSIDERATION NOMINEES FOR ALTERNATE GRANTS WORKING GROUP
6 MEMBERS, AS YOU MENTIONED, BOTH TO EXPAND THE BREADTH OF
7 SCIENTIFIC EXPERTISE FOR REVIEW OF GRANT APPLICATIONS AND
8 FACILITATE THE ANTICIPATED INCREASE IN THE NUMBER OF
9 REVIEWS THAT ARE GOING TO BE CONDUCTED ON AN ANNUAL
10 BASIS.

11 SO THE NOMINEES FOR ALTERNATE GRANTS WORKING
12 GROUP MEMBERS ARE DR. FRED A DIANE MILLER, DR. STEPHEN
13 LEWIS MINGER, DR. PAUL J. SIMMONS, DR. STEPHEN C. STROM,
14 DR. MEGAN SYKES, DR. VIVIANE TABAR, AND DR. SAMUEL WEISS.
15 ALL OF THESE HAVE A BRIEF BIO SHOWN IN YOUR BOOKS IN TAB
16 17 A.

17 AS ALTERNATE GRANTS WORKING GROUP MEMBERS,
18 THESE INDIVIDUALS MAY BE CALLED UPON TO PARTICIPATE IN A
19 GRANTS WORKING GROUP MEETING AS AN AD HOC REVIEWER OR
20 ASKED TO BECOME A REGULAR MEMBER OF THE WORKING GROUP TO
21 REPLACE, AS NECESSARY, AND THEY MUST, OF COURSE, ALL
22 ABIDE BY THE SAME CONFLICT OF INTEREST AND FINANCIAL
23 DISCLOSURE POLICY AS REGULAR WORKING GROUP MEMBERS.

24 SO WE REQUEST YOUR APPROVAL AND APPOINTMENT OF
25 THESE NOMINEES AS ALTERNATE MEMBERS OF THE GRANTS WORKING

BARRISTERS' REPORTING SERVICE

1 GROUP.

2 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IS THERE
3 A MOTION TO MOVE TO APPROVE THESE ALTERNATES?

4 DR. LEVEY: SO MOVED.

5 CHAIRMAN KLEIN: MOVED BY DR. LEVEY. SECOND?

6 MS. GIBBONS: SECOND.

7 CHAIRMAN KLEIN: SECOND BY LEEZA GIBBONS.

8 DISCUSSION?

9 DR. POMEROY: THESE ALL LOOK LIKE VERY
10 IMPRESSIVE PEOPLE AND I'M GOING TO SUPPORT THEM, BUT I'D
11 LIKE TO ASK IF WE COULD GET A SUMMARY ABOUT THE DIVERSITY
12 OF THE GROUP OF REVIEWERS THAT WE'VE ASSEMBLED TO DATE AT
13 A FUTURE MEETING.

14 CHAIRMAN KLEIN: POINT WELL TAKEN. PUBLIC
15 COMMENT? SEEING NONE, ALL IN FAVOR? OPPOSED?

16 17 B, IF YOU WOULD ADDRESS THE KEY POINTS.

17 DR. SAMBRANO: SO THE SECOND ITEM FOR
18 CONSIDERATION IS THE HONORARIUM PROVIDED TO GRANTS
19 WORKING GROUP MEMBERS WHO PARTICIPATE IN THE REVIEW OF
20 GRANT APPLICATIONS.

21 AS YOU KNOW, THE PEER REVIEW OF GRANT
22 APPLICATIONS IS AN ESSENTIAL FUNCTION OF THE INSTITUTE
23 AND AN INVALUABLE SERVICE PROVIDED BY THE WORKING GROUP
24 MEMBERS.

25 THERE ARE TWO PARTS TO THIS. THE FIRST, WE

BARRISTERS' REPORTING SERVICE

1 WOULD REQUEST THAT THE CURRENT HONORARIUM OF \$500 PER DAY
2 OF SERVICE AT A REVIEW MEETING, WHICH IS USUALLY TWO
3 DAYS, SO ANY GIVEN REVIEWER USUALLY RECEIVES A THOUSAND
4 FOR A SINGLE REVIEW MEETING, BE CHANGED TO AN HONORARIUM
5 OF \$2,000 FOR THE EVALUATION OF GRANT APPLICATIONS FOR AN
6 RFA, SO ALTOGETHER REGARDLESS OF THE NUMBER OF DAYS
7 INVOLVED. AND THIS IS TO COVER THEIR EXTENSIVE
8 PREPARATION TIME IN REVIEWING GRANTS AT THEIR HOME
9 INSTITUTION TO WHICH THEY OFTEN SPEND AT LEAST A WEEK'S
10 TIME AND THIS IS FULL TIME.

11 FOR MEETINGS THAT ARE NOT REVIEW MEETINGS, SUCH
12 AS TELECONFERENCES, THE LEVEL WOULD REMAIN AT \$500 PER
13 MEETING.

14 THE SECOND PART OF THIS IS ALSO TO ADDRESS AN
15 HONORARIUM FOR SPECIALISTS. CURRENTLY THEY ARE RECEIVING
16 \$400 FOR THEIR SERVICE AS PREVIOUSLY APPROVED BY THE
17 BOARD. WHAT WE'D LIKE TO SUGGEST, THAT BECAUSE
18 SPECIALISTS OFTEN REVIEW FROM AS LITTLE AS TWO
19 APPLICATIONS TO AS MANY AS TEN, THAT WE HAVE AN
20 HONORARIUM THAT IS ADJUSTABLE AND COMMENSURATE WITH THE
21 NUMBER OF APPLICATIONS REVIEWED. SO WE PROPOSE THAT EACH
22 SPECIALIST RECEIVE A BASE AMOUNT OF \$400 AND AN
23 ADDITIONAL 100 FOR EACH APPLICATION HE OR SHE EVALUATES.
24 AND THIS IS ALL DESCRIBED IN YOUR TAB 17 B.

25 DR. LEVEY: I CERTAINLY WOULD SUPPORT ANY OF

BARRISTERS' REPORTING SERVICE

1 THESE INCREASES. I THINK WE'VE DISCUSSED THIS BEFORE.
2 YOU CAN'T PAY THESE INDIVIDUALS ENOUGH. WE'RE VERY
3 DEMANDING, IT'S VERY BUSY, WE NEED THE QUALITY. IF YOU
4 WANTED TO EVEN GO HIGHER, I THINK THE SENSE OF THE BOARD
5 WOULD PROBABLY EVEN AGREE TO GO HIGHER THAN THIS. IT
6 STILL ISN'T OUT OF LINE WITH WHAT OTHER ORGANIZATIONS PAY
7 THEIR REVIEWERS.

8 DR. MURPHY: JERRY, IF I CAN SPEAK FOR GIL, I
9 THINK WE THINK THAT THIS IS A SIGNIFICANT INCREASE, BUT
10 WE ALSO THINK IT'S AN APPROPRIATE INCREASE, AND IT'S
11 WITHIN THE RANGE OF OTHER ORGANIZATIONS THAT WE WANT TO
12 COMPETE WITH. I THINK GOING HIGHER IS NOT NECESSARY AT
13 THIS POINT. THANK YOU, THOUGH.

14 CHAIRMAN KLEIN: ALL RIGHT. ANY ADDITIONAL
15 COMMENTS FROM THE BOARD?

16 DR. AZZIZ: I JUST WANTED TO MAKE A MOTION,
17 PLEASE.

18 CHAIRMAN KLEIN: OKAY.

19 DR. AZZIZ: MOTION TO APPROVE THE
20 RECOMMENDATION FOR A CHANGE IN HONORARIUM.

21 DR. LEVEY: SECOND.

22 CHAIRMAN KLEIN: SECOND FROM DR. LEVEY.
23 ADDITIONAL COMMENTS FROM THE BOARD? COMMENTS FROM THE
24 PUBLIC?

25 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR

BARRISTERS' REPORTING SERVICE

1 TAXPAYER AND CONSUMER RIGHTS. I REGRET THAT WE DID NOT
2 HEAR THAT THE MEETING HAD COME BACK TO ORDER. THERE WAS
3 NO MENTION MADE OUT THERE BEFORE, SO WE MISSED THE REPORT
4 OF THE EXECUTIVE SESSION, A NUMBER OF US. PERHAPS WE CAN
5 CATCH UP ON THAT LATER. BUT I WOULD ASK THAT WHEN YOU
6 SEND US OUT OF THE ROOM, SOMEONE SHOULD COME OUT AND
7 PLEASE TELL US YOU MAY NOW COME BACK IN.

8 CHAIRMAN KLEIN: THEY DID. I GUESS THEY DIDN'T
9 FIND YOU, BUT WE WILL MAKE SURE THAT WE WILL BE MORE
10 THOROUGH ABOUT THAT.

11 MR. SIMPSON: ON THIS THING, I DEFINITELY
12 SUPPORT THIS. I THINK YOU NEED TO PAY FOR QUALITY, AND I
13 DON'T WANT TO APPEAR CHEAP, AND I THINK THAT THIS IS
14 CERTAINLY A TIME WHEN THESE SORTS OF HONORARIA ARE IN THE
15 TAXPAYERS' INTEREST, AND I DEFINITELY THINK YOU SHOULD DO
16 IT.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH. CALL THE
18 QUESTION. ALL IN FAVOR? OPPOSED?

19 WE'RE GOING TO MOVE ON TO ITEM 19 VERY QUICKLY.
20 THIS IS THE CONSIDERATION OF AMENDMENTS TO THE INTERNAL
21 GOVERNANCE POLICY IN ORDER TO BRING IT INTO -- AND A
22 REVIEW OF THE CIRM ORGANIZATIONAL CHART DEVELOPED BY DR.
23 MURPHY AND DR. TROUNSON. AND, DR. MURPHY, I BELIEVE I
24 CALL ON YOU, AND THEN SHERRY LANSING BECAUSE IT'S GONE TO
25 GOVERNANCE COMMITTEE. IF WE COULD BE SUMMARY IN THAT.

BARRISTERS' REPORTING SERVICE

1 DR. MURPHY: MR. CHAIRMAN, I DON'T THINK WE CAN
2 ACT ON THE INTERNAL GOVERNANCE POLICY TO ADAPT IT BECAUSE
3 WE DID NOT -- IT WAS NOT PUT ON THE AGENDA TEN DAYS AGO.

4 MR. HARRISON: THERE WAS SOME CONFUSION. IN
5 FACT, THE ITEM HAS BEEN ON THE AGENDA. IT WAS NOT ON THE
6 GOVERNANCE SUBCOMMITTEE -- INTERNAL GOVERNANCE POLICY WAS
7 NOT ON THE GOVERNANCE SUBCOMMITTEE'S AGENDA. IT WAS ON
8 THE ICOC'S AGENDA. THE GOVERNANCE SUBCOMMITTEE
9 CONSIDERED THE ORGANIZATIONAL CHART, RECOMMENDED ITS
10 APPROVAL. THE INTERNAL GOVERNANCE POLICY CHANGES WERE
11 MADE TO RECONCILE THE INTERNAL GOVERNANCE POLICY WITH THE
12 CHANGES TO THE ORGANIZATIONAL CHART.

13 CHAIRMAN KLEIN: SO QUESTION FOR YOU. WE CAN
14 ADDRESS THE ORGANIZATIONAL CHART AND FOLLOW.

15 MR. HARRISON: YOU CAN ADDRESS BOTH OF THEM IF
16 YOU CHOOSE TO DO SO.

17 MS. LANSING: YOU DON'T REQUIRE RECOMMENDATION
18 OF THE GOVERNANCE COMMITTEE. THE GOVERNANCE COMMITTEE
19 MET. DR. MURPHY WENT THROUGH THE CHART. THE GOVERNANCE
20 COMMITTEE RECOMMENDS THE CHART. THE VERBAL IS
21 CONFIRMATION OF THE NEW CHART, AS I UNDERSTAND IT, AND
22 NOTHING ELSE BUT THAT. AM I CORRECT?

23 DR. MURPHY: THAT'S RIGHT.

24 MS. LANSING: MAYBE WE CAN TAKE A MINUTE AND
25 EVERYONE READ IT, AND WE CAN BRING IT BEFORE THE FULL

BARRISTERS' REPORTING SERVICE

1 BOARD. I WANT TO STATE AGAIN, FROM WHAT I UNDERSTAND, SO
2 I'M SURE I GET IT, THE GOVERNANCE COMMITTEE RECOMMENDS
3 THE CHART. THE CHART IS A VERBAL CODIFICATION -- THE
4 ATTACHED THING IS A VERBAL CODIFICATION OF THE CHART.
5 THERE'S NOTHING ELSE IN IT.

6 CHAIRMAN KLEIN: THAT'S RIGHT.

7 DR. MURPHY: THAT'S RIGHT. THE MODIFICATIONS
8 PUT INTO THE INTERNAL GOVERNANCE STATEMENT REFLECT THE
9 CHANGES THAT ARE NOW IN THE ORGANIZATIONAL CHART. AND I
10 GUESS THE QUESTION I WANT TO BE ABSOLUTELY CERTAIN OF, IT
11 HAS BEEN ON THE AGENDA?

12 MR. HARRISON: IT HAS BEEN.

13 DR. MURPHY: THANK YOU.

14 MR. CHAIRMAN, IF YOU JUST LOOK AT --

15 MS. LANSING: WAIT.

16 CHAIRMAN KLEIN: WE'RE GOING TO PROCEED WITH
17 THE STAFF AND THEN WE'LL GO TO PUBLIC COMMENT.

18 MS. LANSING: THANK YOU.

19 DR. MURPHY: IF YOU JUST LOOK AT THE
20 ORGANIZATIONAL CHART, THE KEY ISSUES HERE ARE THE FACT
21 THAT THERE WILL NOW BE TWO KEY SENIOR PEOPLE UNDER DR.
22 TROUNSON, CSO POSITION AND THE COO POSITION.

23 THE CSO WILL BE RESPONSIBLE FOR THE SCIENTIFIC
24 ASPECTS OF THE INSTITUTE. THE COO WILL BE RESPONSIBLE
25 FOR THE ADMINISTRATIVE ASPECTS AND WILL HAVE A ROLE IN

BARRISTERS' REPORTING SERVICE

1 THE SCIENCE AS WELL IN TERMS OF ESPECIALLY CLINICAL
2 GRANTS, PERHAPS BASIC SCIENCE GRANTS AS WELL.

3 DR. TROUNSON WANTS A TRIUMVIATE AT THE TOP OF
4 THE ORGANIZATION WITH HIMSELF, THE CSO, AND THE COO. SO
5 THIS WILL BE THE CRITICAL MASS OF EXPERTISE THAT HE FEELS
6 HE CAN CONTRIBUTE TO AND ALSO THAT HE WILL BENEFIT FROM.

7 YOU WILL ALSO SEE ON THE RIGHT-HAND SIDE OF THE
8 CHART IS THE OFFICE OF THE CHAIR, WHICH IS REPORTING TO
9 THE CHAIR AND TO THE VICE CHAIR. THE ARRANGEMENTS THAT
10 CHAIRMAN KLEIN AND I NOW HAVE IS THAT CHAIRMAN KLEIN WILL
11 BE RESPONSIBLE FOR THE PEOPLE WORKING IN HIS PART OF THE
12 ORGANIZATION SUBJECT TO -- AND THROUGH CHAIRMAN KLEIN
13 THEY WILL REPORT TO THE PRESIDENT. SO ON THE DAILY
14 OPERATIONS OF THE INSTITUTE, THEY WILL REPORT TO CHAIRMAN
15 KLEIN, BUT FOR ADMINISTRATIVE AND SALARY MATTERS, ETC.,
16 THEY WILL -- THE RESPONSIBILITY WILL PASS THROUGH
17 CHAIRMAN KLEIN TO THE PRESIDENT.

18 YOU CAN SEE ON THE RIGHT-HAND SIDE THAT THERE
19 IS A NEW POSITION OF DIRECTOR OF FINANCE, LEGAL, AND
20 GOVERNMENTAL AFFAIRS, WHICH WILL ACTUALLY BE MORE OF A
21 CHIEF OF STAFF POSITION FOR THE CHAIRMAN'S OFFICE.

22 MR. CHAIRMAN, I ASK THAT THE BOARD APPROVE THIS
23 CHART IN ITS CURRENT FORM; BUT, AS I MENTIONED BEFORE, I
24 THINK DR. TROUNSON WILL NEED TO ADJUST THE CHART
25 DEPENDING UPON THE PEOPLE WHO HE BRINGS IN AND DEPENDING

BARRISTERS' REPORTING SERVICE

1 UPON THE SPECIFIC REFINEMENTS THAT HE WANTS TO PUT INTO
2 THE PLAN ONCE HE ARRIVES.

3 CHAIRMAN KLEIN: THANK YOU. BOARD COMMENT?
4 PUBLIC COMMENT?

5 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
6 TAXPAYER AND CONSUMER RIGHTS. I ATTENDED THE GOVERNANCE
7 COMMITTEE MEETING, AND I CONFESS I HAVE A SLIGHTLY
8 DIFFERENT RECOLLECTION OF WHAT TRANSPIRED THERE, WHICH IS
9 TO SAY I BELIEVE I UNDERSTOOD YOU TO SAY THAT THIS CHART
10 WAS VOTED ON AND PASSED BY THE COMMITTEE. I DON'T
11 BELIEVE -- I BELIEVE IT WAS JUST PRESENTED AS AN
12 INFORMATIONAL BASIS.

13 CHAIRMAN KLEIN: I THINK IT IS INFORMATIONAL.
14 IT'S NOT A REQUIRED ITEM TO BE PASSED THROUGH.

15 MR. SIMPSON: I JUST WANTED TO CLARIFY THAT
16 THERE WAS NOT A RECOMMENDATION. IT WAS PRESENTED AND
17 DISCUSSED, BUT I DON'T BELIEVE IT WAS A FORMAL
18 RECOMMENDATION.

19 MS. LANSING: YOU'RE ABSOLUTELY RIGHT. I STAND
20 CORRECTED.

21 CHAIRMAN KLEIN: THERE WAS A STRONG CONSENSUS
22 OF THE PEOPLE THERE, BUT THERE WAS NOT A FORMAL VOTE.

23 MR. SIMPSON: THE OTHER THING ABOUT THIS, I
24 HAVE TROUBLE UNDERSTANDING EXACTLY WHAT THE ROLE OF THE
25 DIRECTOR OF FINANCE, LEGAL, AND GOVERNMENTAL AFFAIRS IS.

BARRISTERS' REPORTING SERVICE

1 AND I THINK AT THE TIME THERE WAS SOME EXPLANATION THAT
2 THIS WOULD PERHAPS HAVE TO DO WITH FINANCING AND SOME OF
3 THE BOND ISSUES AND SOME OF THOSE KINDS OF THINGS. AND I
4 WENT HOME AND THOUGHT MORE AND MORE AND MORE ABOUT THAT,
5 AND I DON'T QUITE UNDERSTAND THE ROLE FOR THAT PERSON
6 BECAUSE IT'S THE TREASURER OF THE STATE OF CALIFORNIA WHO
7 SELLS ALL YOUR BONDS.

8 SO I THINK WHAT YOU BASICALLY DO IS JUST MAKE A
9 PHONE CALL TO THE TREASURER AND SAY IT'S TIME TO SELL
10 SOME BONDS. I'M VERY CURIOUS ABOUT THE JOB DESCRIPTION.

11 CHAIRMAN KLEIN: I'M HAPPY TO HAVE A
12 CONVERSATION WITH YOU, MR. SIMPSON. IN TERMS OF THE
13 TAX-EXEMPT OPINIONS AND HOW THEY RELATE TO OUR
14 STRUCTURING OF OUR BOND PROGRAM AND HOW WE PHASE OUR BOND
15 PROGRAM IS EXTRAORDINARILY COMPLICATED. I'M HAPPY TO
16 HAVE THAT CONVERSATION WITH YOU ALONG WITH ISSUES RELATED
17 TO THE VETTING OF THE POTENTIAL FOR A LOAN PROGRAM FOR
18 THIS AGENCY.

19 BUT AS TO THIS ISSUE, WE NOW HAVE HAD PUBLIC
20 COMMENT AND BOARD COMMENT. I WOULD LIKE TO KNOW IF WE
21 COULD PROCEED TO A VOTE. COUNSEL?

22 MR. HARRISON: I DON'T BELIEVE THERE'S A MOTION
23 PENDING.

24 DR. LEVEY: SO MOVED.

25 CHAIRMAN KLEIN: SO MOVED BY DR. LEVEY.

BARRISTERS' REPORTING SERVICE

1 MS. FEIT: SECOND.

2 CHAIRMAN KLEIN: SECOND BY MARCY FEIT. CALL
3 THE QUESTION. ALL IN FAVOR? OPPOSED? THANK YOU.

4 WE NEED TO GO NOW TO, IF WE CAN EXPEDITIOUSLY,
5 TO ITEMS WE'VE PREVIOUSLY DISCUSSED IN MANY DIFFERENT
6 CONTEXTS. AND I'D ASK DR. PENHOET TO LEAD THESE.
7 THEY'RE IMPORTANT BECAUSE WE'RE TRYING TO OPEN UP OUR
8 PROGRAMS TO FOR-PROFIT ENTITIES. WE'VE HAD A NUMBER OF
9 PUBLIC HEARINGS ON THIS ALREADY, A LOT OF PUBLIC INPUT,
10 AND WE WILL FIRST GO TO ITEM 16 AND THEN TO ITEM 15. LET
11 ME MAKE IT DR. PENHOET'S CHOICE.

12 DR. PENHOET: WELL, WE'LL START WITH THE SLIDE
13 THAT'S ON THE BOARD, WHICH IS WE SEEK YOUR APPROVAL TODAY
14 TO FINALIZE THE INTELLECTUAL PROPERTY POLICY FOR
15 FOR-PROFIT ORGANIZATIONS. WE HAVE -- JUST TO REMIND YOU,
16 WE'VE HAD MANY PUBLIC MEETINGS IN THE PAST, AS BOB JUST
17 ARTICULATED TO YOU. BASED ON THOSE MANY PUBLIC MEETINGS,
18 WE DEVELOPED A POLICY FOR THE NONPROFITS WHICH WAS
19 APPROVED IN 2007.

20 WE HAVE SINCE THEN BEEN WORKING ON THE POLICY
21 FOR FOR-PROFIT ORGANIZATIONS. WE HAVE HELD A NUMBER OF
22 HEARINGS. WE APPROVED A POLICY NOW A YEAR AGO IN
23 DECEMBER OF 2006. WE HAVE DRAFT REGULATIONS. WE'VE GONE
24 THROUGH VARIOUS COMMENT PERIODS. WE'VE HAD INTERESTED
25 PERSONS MEETING IN SACRAMENTO WITH LEGISLATORS AND A

BARRISTERS' REPORTING SERVICE

1 NUMBER OF PRIVATE MEETINGS WITH LEGISLATORS, ETC. WE'VE
2 HAD THREE ADDITIONAL COMMENT PERIODS SINCE THAT TIME, AND
3 WE'RE SEEKING YOUR APPROVAL TO MOVE FORWARD TO SEEK OAL
4 APPROVAL IN FEBRUARY OF '08. AND AS BOB SAID, THE
5 INTENTION HERE TO GET THESE THINGS APPROVED WITH THE
6 RELATED CHANGES IN THE GAP SO THAT WE CAN BEGIN TO MAKE
7 GRANTS TO FOR-PROFIT ORGANIZATIONS.

8 JUST BRIEFLY, THE ELEMENTS OF SHARING ARE
9 VIRTUALLY THE SAME FOR THE FOR-PROFIT AND THE
10 NOT-FOR-PROFIT, THAT WHEN DATA ARE PUBLISHED IN SCHOLARLY
11 PUBLICATIONS, PUBLICATION-RELATED BIOMEDICAL MATERIALS
12 MUST BE SHARED. REVENUES FROM SUCCESSFUL CIRM-FUNDED
13 PROJECTS MUST ESSENTIALLY CONFORM TO A NUMBER OF POLICIES
14 WHICH WE HAVE DISCUSSED BEFORE IN EITHER OF TWO
15 CATEGORIES. IN THE CASE OF THE NOT-FOR-PROFITS, THESE
16 THINGS REFER ONLY TO RIGHTS WHICH ARE LICENSED BY THE
17 NONPROFITS TO COMMERCIAL ENTITIES AND THE ATTENDANT
18 SHARING OF THOSE REVENUES AND THE OBLIGATIONS THAT MUST
19 BE PASSED ON TO THE FOR-PROFIT ENTITIES THAT TAKE THE
20 LICENSE.

21 IN ADDITION TO THAT, FOR COMMERCIAL ENTITIES,
22 WE HAVE TO DEAL WITH THE WHOLE ISSUE OF COMMERCIAL
23 PRODUCTS THAT STEM DIRECTLY FROM CIRM-FUNDED PROJECTS.

24 SO ONE OF THE MOST CONTENTIOUS ASPECTS OF ALL
25 THIS HAS BEEN THE ACCESS POLICY. I'M PLEASED TO TELL YOU

BARRISTERS' REPORTING SERVICE

1 TODAY THERE IS NO ONE WHO LIKES THIS POLICY. WE HAVE
2 PEOPLE ON BOTH ENDS OF THE SPECTRUM STILL HOTLY DEBATING
3 WHETHER WE SHOULD MOVE MORE TOWARDS MORE ACCESS OR MORE
4 TOWARDS LESS ACCESS. I THINK WE HAVE A REASONABLE GROUND
5 IN THE MIDDLE HERE, WHICH HAS BEEN CONFIRMED BY OUR IP
6 POLICY TASK FORCE.

7 WHAT THE POLICY IN GENERAL SAYS, AND THIS IS
8 VIRTUALLY THE SAME FOR BOTH THE NOT-FOR-PROFITS AND THE
9 FOR-PROFITS, IS THAT LICENSEES MUST PROVIDE ACCESS TO
10 UNINSURED CALIFORNIANS, THAT LICENSEES HAVE TO PROVIDE
11 COMMERCIAL PRODUCTS AT A DISCOUNT TO CALIFORNIANS WHOSE
12 THERAPIES ARE PAID FOR WITH PUBLIC FUNDS. WE DO HAVE THE
13 CLARIFYING WORDING CHANGE THAT WE WANT TO INTRODUCE, BUT
14 IT DOESN'T CHANGE THE OVERALL PROGRAM HERE. SO WE WILL
15 NOT TAKE YOU THROUGH THE EXACT WORDING. WE CALLED FOR
16 THOSE DISCOUNTED PRODUCTS TO BE AVAILABLE AT THE PRICES
17 DEFINED BY CALRX. CALRX MAY NEVER BE FUNDED, SO THERE
18 ARE THREE DETERMINANTS UNDERNEATH CALRX THAT DEFINE THE
19 CALRX PRICES. WE'RE JUST GOING TO PUT IN THE DOCUMENT
20 THAT IN THE CASE CALRX IS NOT FUNDED, WE'LL RELY ON THE
21 THREE UNDERLYING MEASUREMENTS OF COST THAT SHOULD HAVE
22 BEEN THE COMPONENTS THAT DEFINE THE CALRX COST.

23 THE FOR-PROFIT RESEARCHERS WHO DEVELOP PRODUCTS
24 MUST ALSO PROVIDE THE ABOVE. IT'S THE SAME IN BOTH
25 CASES. AND, OF COURSE, WE HAVE THE DISCOUNT PRICING

BARRISTERS' REPORTING SERVICE

1 THROUGH CALRX OR ITS SUCCESSOR, AS I JUST DESCRIBED. AND
2 THEN WE DID DECIDE EARLY ON THAT ANY OF THESE ACCESS
3 REQUIREMENTS WOULD BE TRIGGERED AS A CONSEQUENCE OF THE
4 FIRST DOLLAR APPLIED TO A CIRM PROJECT.

5 THERE ARE TEETH IN THESE PROVISIONS. THERE ARE
6 MARCH-IN RIGHTS TO ENSURE THAT THESE THINGS ARE APPLIED
7 TO ENSURE PRACTICAL APPLICATION OF CIRM-FUNDED
8 INVENTIONS. THIS IS ESSENTIALLY THE SAME AS NIH. IF
9 SOMEBODY SITS ON A DISCOVERY AND DOESN'T BRING IT TO THE
10 PUBLIC, THEN THE STATE CAN MARCH IN TO SEE THAT THAT
11 HAPPENS. SECOND IS CONTROVERSIAL, BUT WE MUST HAVE SOME
12 TEETH IN THE ACCESS PLAN. SO IT IS THERE TO ENFORCE
13 COMPLIANCE WITH THE ACCESS PLAN. IT'S THERE TO ENFORCE
14 PUBLIC USE REQUIREMENTS OF THE DISCOUNT PROVISIONS. AND
15 FINALLY, IN THE HIGHLY UNLIKELY CASE, ALLEVIATE SOME
16 PUBLIC HEALTH EMERGENCY NEED.

17 IF WE GO TO THE NEXT SLIDE, THIS SUMMARIZES THE
18 DIFFERENCE BETWEEN THE NEEDS BETWEEN THE NONPROFITS AND
19 THE FOR-PROFIT ORGANIZATIONS. I THINK, AS WE SAID
20 BEFORE, IN THE CASE OF NONPROFITS, THEIR ONLY WAY TO
21 COMMERCIALIZE TECHNOLOGY IS TO LICENSE IT TO A THIRD
22 PARTY COMMERCIAL ORGANIZATION BECAUSE THEY THEMSELVES DO
23 NOT COMMERCIALIZE PRODUCTS. IN THE CASE OF THE
24 FOR-PROFITS, THEY HAVE A CHOICE TO EITHER LICENSE THEIR
25 TECHNOLOGY OR DEVELOP IT THEMSELVES THROUGH THE STEPS

BARRISTERS' REPORTING SERVICE

1 THAT ARE INDICATED HERE IN THE LEFT-HAND SIDE OF THE
2 SLIDE.

3 SO WE HAVE DIFFERENT POLICY NEEDS,
4 PROPORTIONALITY ISSUES, THE FACT THAT THERE ARE MULTIPLE
5 REVENUE TYPES, THERE ARE EXISTING PATENTS, THERE ARE
6 SHARING OF REAGENTS, ETC.

7 IF YOU GO TO THE NEXT SLIDE, THIS SUMMARIZES
8 THE KEY ELEMENTS OF THE TWO PROGRAMS. IN THE CASE OF
9 NONPROFITS, WHEN THEY LICENSE THEIR TECHNOLOGY, THEY MUST
10 SHARE 25 PERCENT OF THEIR REVENUES IN EXCESS OF PAYMENTS
11 TO INVENTORS. THEY MUST HAVE AN ACCESS PLAN. THEY MUST
12 SHARE BIOMEDICAL MATERIALS. AND, AS I SAID, WE DON'T
13 ANTICIPATE ANY SELF-DEVELOPMENT HERE. IN THE CASE OF THE
14 FOR-PROFIT ENTITIES, IF THEY LICENSE, THE SAME TERMS
15 APPLY. EXACTLY THE SAME TERMS. HOWEVER, IF THEY DEVELOP
16 THEMSELVES, THEN THE STATE WILL GET A RETURN AT THE TIME
17 REVENUES ARE GENERATED WHICH WILL BE CAPPED AT THREE
18 TIMES THE AWARD AMOUNT.

19 THIS WAS A VERY IMPORTANT ISSUE FOR US GOING
20 FORWARD. THE INDUSTRY WANTED TO KNOW WHAT THEIR
21 LIABILITY WOULD BE IN TERMS OF THEIR FINANCIAL PAYMENTS
22 GOING FORWARD.

23 AND THEN WE ALSO DEVELOPED A SERIES OF
24 SO-CALLED BLOCKBUSTER PAYMENTS WHICH WOULD INCREASE THE
25 RETURN TO THE STATE IN THE CASE THESE BECAME VERY

BARRISTERS' REPORTING SERVICE

1 SUCCESSFUL PRODUCTS. SO IT'S A THREE-TIERED PAYMENT
2 SYSTEM. ANOTHER 3 X WHEN REVENUES REACH \$250 MILLION PER
3 YEAR, AN ADDITIONAL 3 X WHEN THEY REACH \$500 MILLION A
4 YEAR. SO IN SUM, A \$500 MILLION A YEAR BLOCKBUSTER
5 PRODUCT WOULD RETURN NINE TIMES THE INVESTMENT TO THE
6 STATE. AND FINALLY, FOR EVERYTHING IN EXCESS OF \$500
7 MILLION AND IF THERE WAS A PATENT INVOLVED, THERE WOULD
8 BE A ROYALTY, UNCAPPED ROYALTY, OF 1 PERCENT ON ALL SALES
9 ABOVE \$500 MILLION.

10 NEXT SLIDE SIMPLY SHOWS ANOTHER PICTURE OF
11 ESSENTIALLY THE SAME THING AS WE TALKED ABOUT BEFORE.
12 THE OTHER TRIGGER FOR THE ROYALTY PAYMENT IS THAT THE
13 FIRM WOULD HAVE HAD TO INVEST MORE THAN \$5 MILLION IN THE
14 PROJECT AND A PATENT WOULD HAVE HAD TO EMERGE FOR US TO
15 GO DOWN THE RIGHT-HAND SIDE OF THIS, AS INDICATED HERE.
16 SO THAT'S THE FINAL SLIDE.

17 WE DO SUGGEST -- DUANE ROTH HAS HAD A NUMBER OF
18 CONVERSATIONS WITH INDUSTRY REPRESENTATIVES, AS HAVE
19 OTHERS. WE DO SUGGEST ONE CHANGE IN THE LANGUAGE
20 REGARDING THE ACCESS POLICY, WHICH IS WE WANTED TO ENSURE
21 THAT THE MANUFACTURERS WERE NOT LIABLE FOR ALL THE OTHER
22 COSTS OF THE THERAPY. THAT IS, THEY WERE ONLY LIABLE IN
23 THE ACCESS PLAN FOR ACTUALLY DELIVERING THEIR PRODUCT TO
24 AN END USER, AND NOT FOR ALL THE OTHER ATTENDANT COSTS
25 AROUND THE USE OF THAT PRODUCT.

BARRISTERS' REPORTING SERVICE

1 SO WE SAID -- OUR CURRENT DOCUMENT SAYS IF THEY
2 WOULD SUPPLY THE MATERIAL, AND I THINK THE CLARIFYING
3 CHANGE THAT DUANE SUGGESTED IS THAT THEY PROVIDE ACCESS
4 TO THE MATERIAL ACCORDING TO THE ACCESS PLAN. SO THE
5 MATERIAL MAY NOT BE FREE, BUT IT WOULD BE CONSISTENT WITH
6 THE ACCESS PLAN.

7 I THINK WITH A SIMPLE WORDING CHANGE AND WITH
8 THE ADDITION OF THE FALLBACK POSITION TO CALRX TO
9 DESCRIBE THE UNDERLYING ECONOMIC COMPONENTS OF THAT, WE
10 SEEK YOUR APPROVAL FOR THIS POLICY GOING FORWARD.

11 MR. TOCHER: AND THERE'S ONE MORE CHANGE,
12 ACTUALLY NOT SO MUCH CHANGES. ONE IS A NOTE THAT IN
13 ADOPTING THIS SECTION 100408, WHICH IS ON PAGE 17, LINE
14 2, YOU WOULD BE ADOPTING THAT WITH THE REMOVAL OF THE
15 WORD "OPTION." THAT'S AN ARTIFACT. THAT'S SUBDIVISION G
16 FROM THE OAL COMMENT PROCESS. AND THE INSERTION OF THE
17 WORD "ITS" ON SECTION 100408, PAGE 17, LINE 2. AND I'M
18 SORRY. THE REMOVAL OF THE OPTION LANGUAGE IS ON 404(G).

19 CHAIRMAN KLEIN: ALL RIGHT. WITH THAT, IS
20 THERE A MOTION FROM THE BOARD TO SUPPORT THE MOTION
21 REQUESTED BY THE IP TASK FORCE WITH THE INCORPORATION OF
22 THE ALTERNATIVE CRITERIA FOR THE RX LANGUAGE, IN ADDITION
23 THE MODIFICATIONS SUGGESTED BY DUANE ROTH, AND THE ITEMS
24 BROUGHT TO OUR ATTENTION BY SCOTT TOCHER RELATED TO THE
25 OAL COMMENT PERIOD? IS THERE A MOTION?

BARRISTERS' REPORTING SERVICE

1 DR. PENHOET: NO SUBSTANTIVE CHANGES ASSOCIATED
2 WITH HIS COMMENTS. THEY' RE DRAFTING CHANGES.

3 DR. PRICE: SO MOVED.

4 CHAIRMAN KLEIN: DR. PRICE IS MOVING. SECOND?

5 DR. STEWARD: SECOND.

6 CHAIRMAN KLEIN: DR. STEWARD. IS THERE A
7 PUBLIC COMMENT? WE HAVE ONLY A COUPLE MINUTES, SO UNLESS
8 IT'S CRITICAL, LET'S NOT HEAR IT NOW. WE CAN HEAR IT
9 DURING PUBLIC SESSION UNLESS IT'S A CRITICAL COMMENT.

10 MR. SIMPSON: VERY QUICKLY, IS THE BOARD AWARE
11 OF THE LETTER THAT'S BEEN SENT TO YOU FROM THE SENATE AND
12 ASSEMBLY HEALTH COMMITTEE QUESTIONING THE IP POLICY?
13 APPARENTLY IT WAS RELEASED THIS MORNING.

14 DR. PENHOET: I HAVE RECEIVED THE LETTER. IT
15 WAS DIRECTED TO ME. I HAVE NOT SHARED IT WITH THE ENTIRE
16 BOARD. I'D BE HAPPY TO DO THAT.

17 CHAIRMAN KLEIN: WE HAVE THE OPPORTUNITY AS WE
18 GO FORWARD TO CONTINUE TO DO MODIFICATIONS IN THIS
19 POLICY. SO WE HAVE HAD COMMUNICATIONS OVER A PERIOD OF
20 TWO YEARS. THIS IS A LATE COMMUNICATION. AND IN ORDER
21 TO OPEN THE FOR-PROFIT ROUNDS, WE HAVE TO AT LEAST ADOPT
22 THIS AT THIS POINT. COMMENTS?

23 MS. GILL: HI. MY NAME IS TERESA GILL. I'M
24 HERE REPRESENTING INVITROGEN CORPORATION FROM SAN DIEGO,
25 AND I'LL BE VERY BRIEF AND ONLY HIGHLIGHT THE ONE OR TWO

BARRISTERS' REPORTING SERVICE

1 ITEMS I THINK ARE IMPORTANT.

2 THE FIRST IS THAT, AS WAS SHOWN THIS MORNING
3 WITH ALL THE ISSUES AROUND THE ETHICS POLICY, IT'S
4 IMPORTANT THAT ANY POLICY ADOPTED BY THIS BOARD BE OPEN
5 FOR REVIEW ON SOME KIND OF A DEFINITE TIMEFRAME. A
6 DOCUMENT THAT'S OPEN-ENDED, PUTTING IT IN PLACE FOREVER I
7 THINK IS OF CONCERN BECAUSE WE DO HAVE REMAINING
8 CONCERNS, AND ONE OF THEM IS QUITE IMPORTANT. RIGHT NOW
9 WE'RE LEFT WITH AN INEQUITABLE ACCESS TO CIRM FUNDS UNDER
10 THE PUBLISHED BIOMEDICAL MATERIALS SECTION.

11 RIGHT NOW THIS LANGUAGE THAT EXISTS IN THERE,
12 WHICH REQUIRES WITH PRIOR APPROVAL FROM CIRM A GRANTEE'S
13 OBLIGATIONS UNDER THE REGULATION MAY CEASE WHEN THE
14 MATERIALS ARE MADE BROADLY AVAILABLE. WE HAVE BEEN
15 STATING ALL ALONG THAT THIS IS A TROUBLESOME PIECE OF
16 LANGUAGE, AND THERE HAVE BEEN SOME ATTEMPTS TO CORRECT
17 IT, BUT WE STRONGLY BELIEVE THAT MORE COMPANIES WILL TEAM
18 WITH CIRM AND ADVANCE CIRM'S GOALS OF DEVELOPING
19 IMPORTANT BIOMEDICAL MATERIALS AND PUBLISHING RESULTS IF
20 A DECISION ABOUT WHETHER OR NOT TO EXEMPT A GRANTEE FROM
21 THE FREE SHARING REQUIREMENT OF THIS SECTION CAN BE MADE
22 UP FRONT AND IS NOT OPEN TO THE DISCRETION OF WHATEVER
23 OCCURS DOWN THE LINE.

24 IT'S GOING TO BE VERY DIFFICULT AS A PUBLIC
25 CORPORATION TO PARTNER IF WE DO NOT KNOW WHETHER OR NOT

BARRISTERS' REPORTING SERVICE

1 WE WILL HAVE THAT OBLIGATION -- WE'LL BE RELEASED OF THAT
2 OBLIGATION ONCE WE COMMERCIALIZE THE PRODUCT.

3 CHAIRMAN KLEIN: THANK YOU. THANK YOU VERY
4 MUCH. AND AS TO YOUR COMMENT, WE'RE ALWAYS GOING TO BE
5 RESPONSIVE IF THINGS ARE NOT WORKING WELL TO COMING BACK
6 AND LOOKING AT THESE POLICIES. SO THANK YOU VERY MUCH.

7 BOARD COMMENTS? SEEING NO BOARD COMMENTS, NO
8 ADDITIONAL PUBLIC COMMENT, LIKE TO TAKE A VOICE VOTE.
9 ALL IN FAVOR? OPPOSED?

10 WE HAVE ONE OTHER ITEM WE NEED, MARCY. SINCE
11 WE'VE JUST GONE THROUGH AN IP POLICY, THIS RELATES TO THE
12 GRANT ADMINISTRATION POLICY THAT RELATES. KUMAR.

13 DR. HARI: MEMBERS OF THE BOARD, THANK YOU. WE
14 SEEK YOUR APPROVAL TODAY OF AN INTERIM GRANTS
15 ADMINISTRATION POLICY FOR FOR-PROFIT ORGANIZATIONS.
16 RECALL THAT THE GRANTS ADMINISTRATION POLICY SPECIFIED
17 THE TERMS AND CONDITIONS THAT GOVERN THE SELECTION,
18 FUNDING, MONITORING, AND TERMINATION OF CIRM GRANTS.
19 APPROVAL OF THIS POLICY IS CRITICAL IN ALLOWING
20 FOR-PROFIT ENTITIES TO COMPETE FOR CIRM GRANTING FUNDING,
21 AND THIS INCLUDES THE TWO RECENTLY POSTED RFA'S FOR
22 DISEASE TEAM PLANNING AWARDS AND NEW CELL LINES AWARDS
23 THAT DR. MURPHY MENTIONED IN HIS PRESIDENT'S REPORT THIS
24 MORNING.

25 NOTE THAT OTHER MECHANISMS OF FUNDING, THE

BARRISTERS' REPORTING SERVICE

1 FINAL BULLET ON THIS SLIDE BEFORE YOU, INCLUDING LOANS
2 AND CONTRACTS, WILL BE GOVERNED UNDER SEPARATE TERMS AND
3 CONDITIONS.

4 THE APPROACH WE HAVE TAKEN IN DEVELOPING THIS
5 POLICY IS TO ESSENTIALLY PIGGYBACK OFF THE GRANTS
6 ADMINISTRATION POLICY FOR ACADEMIC AND NONPROFIT
7 ORGANIZATIONS. AND WE RECOMMEND SEVERAL POLICY
8 PROVISIONS THAT ARE SPECIFIC TO ACCOMMODATING FOR-PROFIT
9 ORGANIZATIONS IN THIS INTERIM POLICY. AND THOSE
10 PROVISIONS WILL EITHER SUPERSEDE OR BE IN ADDITION TO
11 POLICIES IN THE NONPROFIT GRANTS ADMINISTRATION POLICY.

12 THE SPECIFIC LANGUAGE FOR THESE PROVISIONS IS
13 BEHIND TAB 16 IN YOUR BOOKS. AND JUST TO NOTE, WE ALSO
14 CROSS-REFERENCED THE IP AND REVENUE SHARING REQUIREMENTS
15 THAT YOU HAVE JUST APPROVED.

16 THERE HAVE BEEN SEVERAL OPPORTUNITIES FOR
17 PUBLIC FEEDBACK FROM BOTH INDUSTRY AS WELL AS THE PUBLIC.
18 THIS INCLUDES TWO INTERESTED PERSONS MEETINGS AND A
19 PRESENTATION TO OUR GRANTS REVIEW WORKING GROUP. WE
20 RECEIVED VERY VALUABLE FEEDBACK ON CRAFTING THESE
21 POLICIES, AND WE NOTE THAT MEETING PARTICIPANTS WOULD
22 LIKE ADDITIONAL CLARIFICATION ON DEFINITIONS SUCH AS
23 GOODS AND SERVICES, RESEARCH, CALIFORNIA SUPPLIER, AND
24 NET REVENUE, AND ON SPECIFIC APPROVAL PROCEDURES THAT
25 CIRM COULD FURTHER CLARIFY, AND AN OVERARCHING POLICY

BARRISTERS' REPORTING SERVICE

1 THAT WOULD APPLY TO BOTH NONPROFITS AND FOR-PROFITS.

2 CHAIRMAN KLEIN: KUMAR, LET ME ASK YOU. SINCE
3 THIS IS AN INTERIM POLICY WHICH UNDER THE OAL POLICY
4 THERE WOULD BE MULTIPLE PUBLIC COMMENTS AND INPUT, COULD
5 I ASK DR. PENHOET AND ASK YOU, SINCE ALL OF THIS HAS BEEN
6 PUBLISHED, COMMENTED ON MULTIPLE TIMES, ARE WE IN A
7 POSITION WITH ALL THE PUBLIC COMMENT WE RECEIVED TO DATE
8 TO ACT ON THIS ITEM?

9 DR. HARI: I BELIEVE THAT WE ARE, BUT I LEAVE
10 THAT TO THE BOARD'S DISCRETION.

11 CHAIRMAN KLEIN: IF THERE'S ANY SPECIFIC
12 TECHNICAL ISSUE A BOARD MEMBER WOULD LIKE TO BRING UP, I
13 WOULD LIKE TO ASK THAT BOARD MEMBER TO BRING IT UP. IF
14 THERE'S ANY TECHNICAL ISSUE HERE FOR THE PUBLIC THAT
15 THEY'D LIKE TO BRING UP, I'D LIKE THEM TO BRING IT UP.

16 MS. FOGEL: YES, THANK YOU. I THINK IT'S KIND
17 OF UNFORTUNATE THAT YOU'RE RACING THROUGH THIS. I HAVE
18 TO SAY THAT.

19 I'M SUSAN FOGEL WITH PRO CHOICE ALLIANCE FOR
20 RESPONSIBLE RESEARCH. THE ISSUE I WANT TO RAISE HAS TO
21 DO WITH DATA REPORTING. YOU COMMISSIONED THE INSTITUTE
22 OF MEDICINE TO HOLD A SCIENTIFIC CONFERENCE ON EGG
23 DONATION. OUT OF THAT CONFERENCE CAME RECOMMENDATIONS
24 THAT YOU COLLECT DATA, BUT THERE'S NOT ENOUGH DATA ABOUT
25 THE WOMEN WHO MAY BE ASKED --

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: IS THIS --

2 MS. FOGEL: YES. BECAUSE WE'VE SUBMITTED
3 COMMENTS NOW FOUR TIMES. FIRST WE SUBMITTED THEM TO THE
4 MEDICAL AND ETHICAL STANDARDS AND ASKED THAT THEY BE
5 INCLUDED THERE, AND WE WERE TOLD, NO, IT BELONGED IN THE
6 GRANT POLICIES, BUT THEY'RE NOT HERE EITHER. AND I WANT
7 TO ASK YOU WHERE ARE YOU GOING TO INCLUDE -- I KNOW
8 YOU'RE IN A HURRY. I'M SORRY. YOU DON'T WANT TO HEAR IT
9 BECAUSE YOU'RE IN A HURRY, BUT YOU KEEP PUTTING THIS OFF.
10 IF YOU ARE GOING TO FUND RESEARCH THAT'S GOING TO ASK
11 WOMEN TO GIVE THEIR EGGS, KNOWING THE HEALTH RISKS THAT
12 THE IOM OUTLINED FOR YOU, HOW ARE YOU GOING TO COLLECT
13 THAT DATA IF YOU KEEP REFUSING TO INCLUDE IT IN ANY
14 RECORDKEEPING REQUIREMENTS?

15 CHAIRMAN KLEIN: OKAY. THANK YOU FOR YOUR
16 COMMENT. I'LL GIVE YOU ADDITIONAL TIME UNDER GENERAL
17 PUBLIC COMMENTS.

18 MS. GILL: AGAIN, TERESA GILL, REPRESENTING
19 INVITROGEN CORPORATION. JUST AS NOTE OF PROCESS, THE
20 INFORMAL INTERESTED PARTY SESSIONS IN DEVELOPING THE
21 DRAFT LANGUAGE FOR THE FOR-PROFIT GRANTS ADMINISTRATION
22 POLICY, THERE WERE NO FIRM DEADLINES, NO DRAFT COMMENTARY
23 OR REVIEW PROCESS, NO FIRM INDICATION THAT WRITTEN
24 COMMENTS WERE DUE OR RESPONDED TO. WE HAD TWO INFORMAL
25 INTERESTED PARTY SESSIONS. SO WE DON'T BELIEVE WE REALLY

BARRISTERS' REPORTING SERVICE

1 HAD A CHANCE TO GET THE DETAILS IRONED OUT.

2 EVEN GIVEN ALL THAT, WE WOULD SUPPORT MOVING
3 FORWARD WITH IT GIVEN ASSURANCES FROM STAFF AND FROM THIS
4 BOARD THAT THE ISSUES SURROUNDING THE DEFINITIONS THAT
5 KUMAR MENTIONED EARLIER WOULD BE ADDRESSED ON A LIMITED
6 AND A DEFINITE TIMEFRAME OF LESS THAN SIX MONTHS.

7 CHAIRMAN KLEIN: YOU'RE VERY GRACIOUS. OUR OAL
8 COMMENT PERIOD WILL BE HOW LONG, KUMAR?

9 DR. HARI: FIRST COMMENT PERIOD IS 45 DAYS, AND
10 THEREAFTER WHEN NEW COMMENTS IN, THERE ARE 15-DAY
11 PERIODS.

12 CHAIRMAN KLEIN: OKAY. AND, PLEASE, I THINK
13 THE STAFF WANTS TO BE EXTREMELY RESPONSIVE. I KNOW THE
14 TASK FORCE DOES. IF THAT'S NOT ADEQUATE TIME, PLEASE
15 COMMUNICATE WITH THE BOARD, BUT YOU'RE VERY GRACIOUS AND
16 WE'LL LOOK FORWARD TO TRYING TO GET YOUR COMMENTS IN THAT
17 PERIOD. THANK YOU.

18 WITH THOSE COMMENTS, I'D LIKE TO SEE IF THERE'S
19 ANY MORE BOARD COMMENTS? ANY MORE PUBLIC COMMENTS? CALL
20 THE QUESTION. ALL IN FAVOR?

21 DR. STEWARD: SO MOVED.

22 MR. ROTH: SECOND.

23 CHAIRMAN KLEIN: OS STEWARD IS THE MOTION AND
24 DUANE ROTH IS THE SECOND. NO ADDITIONAL COMMENTS. CALL
25 THE QUESTION. ALL IN FAVOR? OPPOSED?

BARRISTERS' REPORTING SERVICE

1 THANK YOU. THANK YOU, MARCY. THANK YOU,
2 JANET. WE WILL PRAY FOR YOUR ARRIVAL AT THE AIRPORT.

3 OKAY. WITH THAT, I'D LIKE TO INVITE THE
4 COMMENT THAT WAS MADE ABOUT THE DATA COLLECTION ON
5 OOCYTES. IF YOU WOULD GIVE US A COUPLE MORE MINUTES OF
6 INFORMATION ON THAT, PLEASE. MAYBE YOU COULD FOLLOW THAT
7 WITH ADDITIONAL WRITTEN COMMENTS.

8 MS. FOGEL: I'D BE HAPPY TO RECIRCULATE THE
9 WRITTEN COMMENTS I'VE SUBMITTED THREE TIMES ALREADY, AND
10 THAT'S WHAT'S FRUSTRATING. IT KEEPS GETTING PUNTED TO
11 SOMEPLACE ELSE. YOU ARE ANTICIPATING, YOU'VE ALREADY
12 FUNDED TWO GRANTS, I BELIEVE, THAT WILL INVOLVE SCNT.
13 YOU ARE ANTICIPATING THAT YOU ARE GOING TO FUND OTHER
14 GRANTS THAT REQUIRE SCNT, WHICH MEANS -- WE ACTUALLY
15 WOULD LIKE TO SEE YOU PUT YOUR EFFORTS SOMEWHERE ELSE,
16 BUT THAT'S ANOTHER CONVERSATION. THAT MEANS THAT WOMEN
17 WILL BE ASKED TO PROVIDE EGGS FOR RESEARCH.

18 THE IOM REPORT THAT YOU COMMISSIONED MADE IT
19 VERY CLEAR THAT THERE ARE SERIOUS HEALTH RISKS THAT GO
20 ALONG WITH PROVIDING EGGS FOR RESEARCH, AND THERE'S VERY,
21 VERY LITTLE DATA. AND THEY SUGGESTED TO YOU THAT YOU
22 OUGHT TO BE COLLECTING DATA SO YOU KNOW WHAT ARE THE
23 HEALTH OUTCOMES FOR THESE WOMEN WHO ARE GOING TO BE ASKED
24 TO GIVE THEIR EGGS FOR RESEARCH.

25 A NON-CIRM-FUNDED RESEARCH UNDER SB 1260 AND

BARRISTERS' REPORTING SERVICE

1 THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, THE SB 322
2 COMMITTEE HAS SPECIFIC ELEMENTS OF DATA COLLECTION SO
3 THAT WE CAN LOOK BACK AND SEE WHICH WOMEN ARE BEING
4 TARGETED. WHAT ARE THE HEALTH RISKS? WHAT METHODS ARE
5 BEING USED? HOW CAN WE MAKE THIS PROCESS SAFER?

6 I HAVE SUBMITTED THESE COMMENTS IN MANY
7 DIFFERENT VENUES BECAUSE I KEEP BEING TOLD, WELL, WE'RE
8 NOT GOING TO PUT IT HERE. WE'RE GOING TO PUT IT THERE.
9 THE RECORDKEEPING REGULATIONS THAT YOU ARE GOING TO
10 CONSIDER AT YOUR NEXT MEETING INCLUDE NONE OF THIS
11 REQUEST FOR DATA. YOU KNOW VERY WELL THAT YOU DON'T HAVE
12 ADEQUATE STAFF TO MONITOR CLOSELY. YOU HAVE TO DEPEND ON
13 PEOPLE PROVIDING DATA TO YOU, AND SO THERE NEEDS TO BE A
14 CONSISTENT SYSTEM OF DATA REPORTING SO YOU KNOW WHAT'S
15 HAPPENING TO THE WOMEN WHO ARE GOING TO BE INVOLVED IN
16 YOUR RESEARCH.

17 SO I'M ASKING YOU IF IT DOESN'T BELONG IN THE
18 MEDICAL AND ETHICAL STANDARDS, AND IT DOESN'T BELONG IN
19 THE GRANTS ADMINISTRATION POLICY, WHERE IS IT GOING TO
20 BE? HOW ARE YOU GOING TO HOLD INSTITUTIONALS ACCOUNTABLE
21 TO REPORT TO YOU WHAT'S HAPPENING TO THESE WOMEN BECAUSE
22 THEY ARE INVISIBLE. THEY'RE BEING ASKED TO PROVIDE RAW
23 MATERIAL. THEY'RE INVISIBLE. THEY'RE NOT GOING TO SHOW
24 UP IN PUBLISHED -- YOU KNOW, PUBLISHED RESEARCH. THEY'RE
25 NOT GOING TO SHOW UP IN ANY OF THESE POLICIES, BUT THEY

BARRISTERS' REPORTING SERVICE

1 ARE GOING TO BE ASKED TO GIVE OF THEMSELVES. AND YOU
2 OUGHT TO BE ACCOUNTABLE TO THEM TO MAKE SURE THAT THEY
3 AREN' T BEING HARMED BY THESE PROCESSES.

4 CHAIRMAN KLEIN: I THANK YOU VERY MUCH. I
5 SPECIFICALLY ASK FOR YOU TO PROVIDE MORE DEPTH TO THAT
6 BECAUSE I DON' T THINK IT' S AN ISSUE THAT WE WERE AWARE OF
7 IN TERMS OF BEING SOMETHING THAT HADN' T BEEN ASSIGNED A
8 SPECIFIC AREA WITHIN THE AGENCY FOR ANALYSIS. PERHAPS
9 THE STAFF COULD LOOK AT THIS REQUEST AND ADVISE US BEFORE
10 THE NEXT MEETING ON HOW WE MIGHT ADDRESS IT, WE MIGHT
11 RESPOND TO THE SPEAKER, AND HAVE A DIALOGUE HERE ABOUT
12 HOW AND WHERE WE WOULD APPROPRIATELY ADDRESS THIS ISSUE.

13 MS. FOGEL: THANK YOU.

14 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

15 MS. FOGEL: YOU WILL SEE THEM AGAIN IN OUR
16 COMMENTS.

17 CHAIRMAN KLEIN: OKAY. THANK YOU. I' D ALSO
18 LIKE TO NOTE WE HAVE THE SPEAKER FROM INVITROGEN WAS VERY
19 GRACIOUS IN SUGGESTING WE SHOULD MOVE FORWARD, ALTHOUGH
20 THERE WAS LIMITED TIME. AND CERTAINLY WE' LL LOOK FORWARD
21 TO STAFF WORKING WITH YOU ON THOSE DEFINITIONS AND THE
22 OTHER ITEMS THAT YOU HAVE JUST RAISED.

23 IN TERMS OF THE OTHER ISSUES THAT WERE RAISED
24 UNDER THESE TWO ITEMS, WE' RE GOING TO BE IN AN ACTIVE
25 DIALOGUE IN LISTENING WITH THE LEGISLATURE IN TERMS OF

BARRISTERS' REPORTING SERVICE

1 THIS LETTER WE JUST RECEIVED. UNFORTUNATELY TO RECEIVE
2 IT THIS MORNING PUTS US IN A POSITION WHERE AFTER TWO
3 YEARS WE'RE PREPARED TO ACT, PREPARED TO GO FORWARD WITH
4 FOR-PROFIT PROGRAMS, AND IT DOESN'T GIVE US ADEQUATE TIME
5 TO RESPOND. SO GOING FORWARD WITH OUR POLICIES, BUT
6 REALIZING WE'RE GOING TO KEEP A VERY OPEN DIALOGUE WITH
7 THE LEGISLATURE. WE WANT TO LISTEN, WE WANT TO LEARN,
8 AND WE WANT TO BE RESPONSIVE. AND THAT'S A VERY
9 IMPORTANT MESSAGE. SO WE WILL CERTAINLY BE FOLLOWING UP
10 WITH THE LEGISLATURE ON THOSE POINTS.

11 ARE THERE ANY POINTS, DR. MURPHY, THAT YOU
12 WOULD LIKE TO RAISE AT THIS JUNCTURE?

13 DR. MURPHY: NO. JUST TO THANK THE BOARD FOR A
14 TREMENDOUS EFFORT TODAY. IT'S BEEN A BUSY, FULL DAY.

15 DR. PENHOET: IF I MIGHT ADD IN RESPONSE TO
16 THAT, WE ACTUALLY DID CHANGE THE REFERENCE TO CALRX TO
17 INCLUDE THE UNDERLYING COMPONENTS OF PRICE EMBEDDED
18 UNDERNEATH CALRX IN RESPONSE TO ONE OF THE COMMENTS THAT
19 WAS MADE IN THAT LETTER.

20 CHAIRMAN KLEIN: OKAY. THANK YOU VERY MUCH.
21 AND I THINK THAT AFTER TWO YEARS OF HARD WORK, THERE'S
22 ANOTHER MILESTONE WITH ED PENHOET LEADING THIS TASK
23 FORCE. AND FOR ALL BOARD MEMBERS THAT PARTICIPATED,
24 DUANE AND OTHERS WERE AT MANY MEETINGS, THE STAFF WORKED
25 TIRELESSLY. IT IS A COMPLICATED AREA. IT'S GOING TO

BARRISTERS' REPORTING SERVICE

1 TAKE WORK. WE'RE GOING TO HAVE TO LEARN AS WE GO, BUT I
2 THINK WE OWE AN APPLAUSE TO ED FOR CHAIRING THIS
3 TREMENDOUS EFFORT.

4 (APPLAUSE.)

5 MR. ROTH: AND DON'T FORGET MARY MAXON, WHO DID
6 A TERRIFIC JOB.

7 (APPLAUSE.)

8 CHAIRMAN KLEIN: AND I THINK, ED, WOULD YOU
9 LIKE TO RECOGNIZE THE OTHER STAFF THAT WORKED WITH YOU?

10 DR. PENHOET: WELL, MANY STAFF MEMBERS WORKING,
11 BUT THE YEOMAN'S WORK WAS DONE BY SCOTT TOCHER, WHO HAS
12 TAKEN RESPONSIBILITY FOR ALL OF IT.

13 (APPLAUSE.)

14 DR. PENHOET: OF COURSE, KUMAR, WHO HAS TRIED
15 VALIANTLY TO TRANSLATE OUR IP POLICY INTO A GAP POLICY.

16 (APPLAUSE.)

17 CHAIRMAN KLEIN: OKAY. I THANK THE BOARD
18 MEMBERS FOR ANOTHER TOUGH DAY. THANK THE AUDIENCE, AND
19 THANK YOU FOR LEARNING WITH US, WORKING WITH US, HAVING
20 THE PATIENCE TO UNDERSTAND THAT WE'RE INTENSELY COMMITTED
21 TO THE SAME GOALS THAT YOU ARE, AND WE ARE DOING THE BEST
22 WE CAN TO LEARN IN REAL TIME AND MAKE PROGRESS AS WE CAN.

23 ENDING PUBLIC COMMENT, JOHN SIMPSON.

24 MR. SIMPSON: JUST A FINAL PUBLIC COMMENT. I
25 JUST WANTED TO SAY THAT WHILE I HAVE FROM TIME TO TIME

BARRISTERS' REPORTING SERVICE

1 DIFFERENT POINTS OF VIEW ON THE IP POLICY AS IT WAS
2 FINALLY COMING OUT, THE PROCESS THROUGH WHICH IT WENT WAS
3 AN EXCELLENT EXAMPLE OF HOW PUBLIC POLICY SHOULD WORK.
4 ALL THE STAKEHOLDERS WERE INVOLVED AND HAVE BEEN
5 INVOLVED, AND IT'S A TRIBUTE AND AN EXAMPLE TO HOW THE
6 COMMITTEES OF THIS BODY SHOULD FUNCTION. I HOPE THAT THE
7 BIOTECH BANK COMMITTEE THAT MET YESTERDAY FOLLOWS THE
8 SAME SORT OF WONDERFUL LEADERSHIP THAT WAS SET BY THE IP
9 TASK FORCE UNDER DR. PENHOET.

10 CHAIRMAN KLEIN: THANK YOU VERY MUCH. WITH
11 THAT, I THINK WE STAND ADJOURNED.

12 (THE MEETING WAS THEN ADJOURNED AT 04:31
13 P. M.)

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REPORTER'S CERTIFICATE

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

UCLA
GRAND HORIZON ROOM
3D FLOOR, COVEL COMMONS, SUNSET
330 DE NEVE DRIVE
LOS ANGELES, CALIFORNIA

ON
WEDNESDAY, DECEMBER 12, 2007

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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