

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: LUXE HOTEL
11461 SUNSET BOULEVARD
LOS ANGELES, CALIFORNIA

DATE: WEDNESDAY, DECEMBER 11, 2013
THURSDAY, DECEMBER 12, 2013
9 A.M.

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

BRS FILE NO.: 95381 & 95494

BARRISTERS' REPORTING SERVICE

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LOS ANGELES, CALIFORNIA;
WEDNESDAY, DECEMBER 11, 2013; 9 A.M.

CHAIRMAN THOMAS: GOOD MORNING, EVERYBODY.
WELCOME TO CHILLY LOS ANGELES WHERE THE DECEMBER
MEETING OF THE ICOC PROMISES TO BE A MOST
INTERESTING TWO DAYS OF DISCUSSION ON A VARIETY OF
TOPICS. APPRECIATE EVERYBODY'S ATTENDANCE AND LOOK
FORWARD TO DISCUSSING A BUNCH OF HIGHLY SUBSTANTIVE
MATTERS OVER THE COURSE OF THE NEXT TWO DAYS.

MARIA, WOULD YOU PLEASE LEAD US IN THE
PLEDGE OF ALLEGIANCE.

(THE PLEDGE OF ALLEGIANCE.)

MS. BONNEVILLE: LARS BERGLUND.
DR. BERGLUND: HERE.
MS. BONNEVILLE: LINDA BOXER.
DR. BOXER: HERE.
MS. BONNEVILLE: DAVID BRENNER.
DR. BRENNER: HERE.
MS. BONNEVILLE: SUE BRYANT. ANNE-MARIE
DULIEGE.
DR. DULIEGE: HERE.
MS. BONNEVILLE: MARCY FEIT. LEON FINE.
DR. FINE: HERE.
MS. BONNEVILLE: ELIZABETH FINI.

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1 DR. FINI: HERE.
2 MS. BONNEVILLE: JUDY GASSON.
3 DR. GASSON: HERE.
4 MS. BONNEVILLE: MICHAEL GOLDBERG.
5 MR. GOLDBERG: HERE.
6 MS. BONNEVILLE: SAM HAWGOOD.
7 DR. HAWGOOD: HERE.
8 MS. BONNEVILLE: STEPHEN JUELSGAARD.
9 MR. JUELSGAARD: HERE.
10 MS. BONNEVILLE: MICHAEL FRIEDMAN.
11 DR. FRIEDMAN: HERE.
12 MS. BONNEVILLE: SHERRY LANSING. BERT
13 LUBIN.
14 DR. LUBIN: HERE.
15 MS. BONNEVILLE: FRANCISCO PRIETO.
16 DR. PRIETO: HERE.
17 MS. BONNEVILLE: ROBERT QUINT. AL
18 ROWLETT.
19 DR. ROWLETT: HERE.
20 MS. BONNEVILLE: JOAN SAMUELSON. JEFF
21 SHEEHY.
22 MR. SHEEHY: HERE.
23 MS. BONNEVILLE: OSWALD STEWARD.
24 DR. STEWARD: HERE.
25 MS. BONNEVILLE: JONATHAN THOMAS.

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1 CHAIRMAN THOMAS: HERE.

2 MS. BONNEVILLE: ART TORRES.

3 MR. TORRES: HERE.

4 MS. BONNEVILLE: CARL WARE.

5 DR. WARE: HERE.

6 MS. BONNEVILLE: DONNA WESTON.

7 DR. WESTON: HERE.

8 MS. BONNEVILLE: DIANE WINOKUR.

9 MS. WINOKUR: HERE.

10 CHAIRMAN THOMAS: THANK YOU. WE ARE NOW
11 GOING TO PROCEED TO THE CHAIRMAN'S REPORT. BECAUSE
12 ALAN IS SUCH A HIGHLY FEATURED SPEAKER TODAY ON A
13 VARIETY OF MATTERS, WE'RE GOING TO HAVE HIM GIVE THE
14 PRESIDENT'S REPORT AS PART OF TOMORROW'S MEETING.
15 SO I'LL BEGIN.

16 THE PERHAPS MOST IMPORTANT ITEM TO REPORT
17 IS THAT JACOB LEVIN AND HIS WIFE JUST HAD A BABY BOY
18 BENJAMIN. SO I DON'T THINK JACOB IS ON THE PHONE.
19 I DID SUGGEST THAT HE BRING THE BABY TO THE MEETING
20 AND BREAK HIM IN RIGHT, BUT WE SEND MANY
21 CONGRATULATIONS OUT TO JACOB AND HIS WIFE AND
22 FAMILY.

23 THE LAST COUPLE OF MONTHS HAVE SEEN
24 INTERESTING ACTIVITY IN A NUMBER OF REGARDS. FIRST,
25 I WANT TO REPORT TO YOU ON THE ONGOING EFFORT NOW TO

BARRISTERS' REPORTING SERVICE

1 IDENTIFY A NEW PRESIDENT TO SUCCEED DR. TROUNSON.
2 SINCE THE LAST BOARD MEETING AND SINCE ALAN'S
3 ANNOUNCEMENT THAT HE WOULD BE RETURNING TO AUSTRALIA
4 IN OCTOBER, I APPOINTED A PRESIDENTIAL SEARCH
5 SUBCOMMITTEE, WHICH INCLUDES EIGHT MEMBERS OF OUR
6 BOARD. WE HAD A MEETING IN NOVEMBER. WE SINCE THAT
7 TIME PUT TOGETHER AN RFA -- RFP, RATHER -- FOR
8 EXECUTIVE SEARCH FIRMS TO HELP US IN THE EFFORT.

9 WE RECEIVED EIGHT PROPOSALS. I ASKED
10 MARIA AND JAMES TO DO THE FIRST CUT OF THOSE
11 PROPOSALS TO IDENTIFY FIVE FIRMS TO BE INTERVIEWED
12 FOR THE POSITION, WHICH THEY DID. AND THEN MR.
13 JUELSGAARD AND I WERE TASKED BY THE PRESIDENTIAL
14 SEARCH SUBCOMMITTEE TO INTERVIEW ALL FIVE OF THE
15 FIRMS, WHICH WE DID ALONG WITH MARIA AND JAMES. AND
16 THE RESULTS OF THAT EFFORT WE REPORTED LAST NIGHT TO
17 ANOTHER MEETING OF THE PRESIDENTIAL SEARCH
18 SUBCOMMITTEE.

19 AND OF THE FIVE THAT WE INTERVIEWED, WE
20 ARE RECOMMENDING AND WERE APPROVED TO PROCEED BY THE
21 SEARCH SUBCOMMITTEE WITH KORN FERRY AS OUR NO. 1
22 CHOICE. WE'RE GOING TO BE TALKING WITH ISSACSON
23 MILLER, BEING THE NO. 2; AND IF WE, FOR WHATEVER
24 REASON, CANNOT NEGOTIATE SUCCESSFULLY WITH KORN
25 FERRY, WHICH WE ARE CONFIDENT THAT WE WILL BE ABLE

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1 TO. SO THERE ARE A VARIETY OF REASONS FOR THAT
2 SELECTION I'D BE HAPPY TO TALK ABOUT, BUT IT WAS A
3 UNANIMOUS OPINION, MR. JUELGAARD AND MYSELF, THAT
4 THIS WAS THE RIGHT WAY TO GO. AND I THINK WE'RE
5 GOING TO HAVE A VERY HELPFUL EFFORT BY THEM AS WE
6 PROCEED DOWN THIS PATH. SO THAT'S WHERE THAT
7 STANDS.

8 SECONDLY, SORT OF FURTHER ON THE THEME
9 THAT YOU WILL HEAR ABOUT LATER FROM DR. TROUNSON AND
10 MR. GOLLUB, THE ISSUE OF SUSTAINABILITY IS OBVIOUSLY
11 ONE THAT'S INCREASINGLY ON EVERYBODY'S MIND. I OVER
12 THE COURSE OF THE LAST COUPLE MONTHS HAVE PUT
13 TOGETHER A TASK FORCE FROM THE OFFICE OF THE CHAIR
14 TO LOOK INTO DIFFERENT FUNDING MODELS THAT WE CAN
15 HAVE TO SUSTAIN THE AGENCY AS A WHOLE.

16 IN THE COURSE OF THAT, THAT TASK FORCE
17 CONSISTS OF MARIA, LYNN, WHO I WILL BE TALKING ABOUT
18 IN A COUPLE MINUTES MORE, SCOTT TOCHER, JAMES, AND
19 OUR NEWEST ADDITION TO THE OFFICE OF THE CHAIR, AMY
20 LEWIS.

21 OVER THE COURSE OF THE LAST COUPLE MONTHS,
22 WE'VE HAD A NUMBER OF DISCUSSIONS WITH A VARIETY OF
23 PEOPLE IN THE FINANCIAL COMMUNITY ABOUT POTENTIAL
24 STRUCTURES THAT MIGHT BE OF INTEREST MOVING FORWARD
25 AND ARE GOING TO BE CONTINUING TO HAVE MEETINGS AS

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1 WE PROCEED DOWN THE NEXT COUPLE MONTHS, WHICH I WILL
2 REPORT BACK ON WHEN WE GET TO SOMETHING THAT IS
3 READY FOR DISCUSSION.

4 IN ADDITION, WE HAD, AS YOU KNOW, I THINK
5 I SPOKE AT THE LAST BOARD MEETING, WE HAD A SERIES
6 OF MEETINGS THAT WE HAVE SET UP WITH THE PATIENT
7 ADVOCATES AROUND THE STATE. FIRST WAS IN SAN
8 FRANCISCO IN THE SUMMER. THE SECOND WAS THIS FALL
9 AT USC FOR LOS ANGELES. THE THIRD SUCH MEETING WE
10 JUST HAD AS PART OF THE WORLD STEM SUMMIT IN SAN
11 DIEGO WHERE WE SIT DOWN WITH THE PATIENT ADVOCATE
12 COMMUNITY TO BRING THEM UP TO SPEED ON WHAT IT IS
13 THAT WE'RE DOING AND THE LATEST DEVELOPMENTS IN OUR
14 RESEARCH.

15 I THINK ALL OF THESE MEETINGS HAVE BEEN
16 BOTH WELL ATTENDED AND VERY MUCH APPRECIATED AND
17 VERY MUCH SOMETHING THAT WE SHOULD BE DOING TO KEEP
18 EVERYBODY POSTED ON THE LATEST DEVELOPMENTS WITHIN
19 CIRM. AND WE'LL BE HAVING THESE ON A REGULAR BASIS
20 GOING FORWARD IN THE DIFFERENT PARTS OF THE STATE.
21 SO THAT WAS SOMETHING THAT I WANTED TO KEEP
22 EVERYBODY POSTED ON.

23 BY THE WAY, WORLD STEM CELL SUMMIT JUST
24 CONCLUDING LAST WEEK WAS A MOST INTERESTING EVENT.
25 I'M SURE ALAN IS GOING TO TALK ABOUT IT IN HIS

BARRISTERS' REPORTING SERVICE

1 PRESIDENT'S REPORT, BUT BROUGHT TOGETHER THE USUAL
2 MIXTURE OF SCIENTISTS, TEACHERS, PATIENT ADVOCATES,
3 AND OTHERS IN A VERY INTERESTING FORMAT THAT I
4 THINK, FROM THE STANDPOINT OF THE LAYPERSON, IS THE
5 BEST OF THE CONFERENCES DURING THE YEAR BECAUSE IT'S
6 NOT ONE THAT'S ENTIRELY SCIENTIFIC. IT'S A GOOD MIX
7 AND A LOT OF INTERACTION, MANY GOOD PANELS, AND
8 SOMETHING THAT CIRM HAS SUPPORTED WHEN IT'S BEEN IN
9 CALIFORNIA BEFORE. WE SUPPORTED IT THIS TIME, AND I
10 THINK A VERY, VERY WORTHWHILE EVENT.

11 SO WITH THAT, LET ME MOVE ON TO A SPECIAL
12 COMMENT. MANY OF YOU MAY KNOW, OTHERS MAY NOT, LYNN
13 HARWELL IS GOING TO BE LEAVING CIRM. SHE AND HER
14 HUSBAND, WHO'S RECENTLY GOTTEN A WONDERFUL POSITION
15 AT HARVARD, ARE MOVING TO BOSTON EFFECTIVE --
16 THEY'RE ACTUALLY -- HE'S ALREADY THERE AND LYNN WILL
17 BE HERE THROUGH THE BEGINNING OF NEXT MONTH.

18 I JUST WANTED TO SAY FOR THE MEMBERS OF
19 THE BOARD WHAT A PLEASURE IT HAS BEEN TO HAVE LYNN.
20 SHE'S BEEN A HUGE PART OF THE OFFICE OF THE CHAIR
21 FOR MANY YEARS. HAS BEEN MY LEAD PERSON ON ALL THE
22 BOND FINANCIAL MATTERS AND DEALING WITH THE STATE
23 DEPARTMENT OF FINANCE WITH THE TREASURER'S OFFICE.
24 SHE WAS OUR FRONTLINE PERSON THROUGHOUT THE PROCESS
25 OF EVALUATING AND RESPONDING TO THE IOM REPORT AND

BARRISTERS' REPORTING SERVICE

1 ALL THE MANY MONTHS OF COORDINATION THAT WAS
2 REQUIRED FOR DEALING WITH ALL THE STAKEHOLDERS IN
3 ADVANCE OF THAT. LYNN HANDLED THAT EXPERTLY FOR US.

4 SHE HAS BEEN VERY, VERY HELPFUL TO CHILA,
5 TO PAT, TO GRANTS MANAGEMENT IN HELPING TO RECONCILE
6 THE OUTLAY OF FUNDS AS IT PERTAINS TO THE TIMING AND
7 AMOUNT OF FINANCINGS UNDERTAKEN BY THE TREASURER ON
8 OUR BEHALF. SHE'S JUST DONE A WHOLE BUNCH OF VERY,
9 VERY CRITICAL THINGS. AND IT IS WITH DEEP REGRET,
10 BUT ALSO SINCERE APPRECIATION THAT, LYNN, WE WISH
11 YOU WELL AS YOU MOVE ON TO YOUR NEXT ENDEAVOR IN
12 BOSTON. AND THANK YOU VERY MUCH FOR ALL OF YOUR
13 GREAT WORK.

14 (APPLAUSE.)

15 CHAIRMAN THOMAS: AS A RESULT OF -- BY THE
16 WAY, LYNN HATES THAT SORT OF THING WHEN ANYBODY
17 TALKS ABOUT HER. SO I PERSONALLY DIDN'T TELL HER I
18 WAS GOING TO DO THAT. TOO LATE NOW, LYNN.

19 BECAUSE SHE'S LEAVING AND THE CRITICAL
20 FUNCTION SHE PERFORMED IS SOMETHING WE NEEDED TO
21 HAVE SOMEBODY TAKE HER PLACE, SO WE WENT OUT AND HAD
22 A WHOLE PROCESS POSTED FOR THE POSITION, HAD
23 INTERVIEWS FOR THE POSITION, AND I'M VERY PLEASED TO
24 ANNOUNCE TO THE BOARD THAT AMY LEWIS HAS AGREED TO
25 COME INTO THAT POSITION EFFECTIVE DECEMBER 1ST.

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1 THANK YOU, MARIA. AND AMY, AS YOU KNOW, HAS NOT
2 ONLY BEEN HERE FROM THE BEGINNING, SHE'S BEEN HERE
3 SINCE BEFORE THE BEGINNING, HAVING WORKED ALL THE
4 WAY BACK WITH BOB AS PROP 71 WAS BEING PUT TOGETHER
5 AND BRINGS A WEALTH OF KNOWLEDGE OF BOTH
6 INSTITUTIONAL KNOWLEDGE OF THE THINGS THAT MAKE CIRM
7 TICK. OBVIOUSLY HAS BEEN INVOLVED IN RECENT YEARS
8 LEADING UP GRANTS MANAGEMENT. SHE HAS A FINANCIAL
9 BACKGROUND AS WELL AND IS JUST SOMEBODY WHO WILL BE
10 ABLE TO STEP RIGHT IN, OBVIOUSLY REQUIRING NO
11 LEARNING CURVE TO GET UP TO SPEED, AND CAN
12 IMMEDIATELY BRING TO THE TABLE GREAT CAPABILITIES
13 THAT WILL SERVE US VERY WELL.

14 SO AMY ISN'T HERE TODAY. WHEN YOU SEE HER
15 AT THE NEXT BOARD MEETING, IF YOU WOULD CONGRATULATE
16 HER FOR TAKING THAT POSITION. SO WE HAVE LYNN
17 LEAVING, WHO DID A GREAT JOB. WE HAVE AMY WHO WILL
18 DO THE SAME. SO WE'RE IN VERY GOOD HANDS.

19 OKAY. SO THAT CONCLUDES THE CHAIR'S
20 REPORT. WE'RE NOW GOING TO PROCEED TO ITEM 6. SO
21 AS MANY OF YOU KNOW, OVER THE COURSE OF THE YEARS,
22 WE'VE MADE ALL SORTS OF FUNDING DECISIONS ACROSS A
23 WIDE VARIETY OF PROGRAMS AND HAVE MANY, MANY GREAT
24 THINGS IN PROCESS IN VARYING DEGREES IN VARIOUS
25 PARTS OF THE RESEARCH CONTINUUM. WE NOW FIND

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1 OURSELVES WITH THE REALITY THAT, HAVING STARTED WITH
2 \$3 BILLION, WE ARE DOWN NOW TO HOW TO DEPLOY OUR
3 LAST 600 MILLION WHICH WE HAVE TO SORT OF PROCEED ON
4 THE PREMISE THAT WE WILL NOT HAVE ADDITIONAL
5 FUNDING, ALTHOUGH, AS I REPORTED, WE'RE BUSILY AT
6 WORK LOOKING AT OPTIONS TO TRY TO DEAL WITH THAT
7 SITUATION. BUT FOR PURPOSES OF THIS DISCUSSION, WE
8 HAVE TO ASSUME THAT 600 MILLION IS IT.

9 AND SO AS WE PROCEED AHEAD, IT WAS THE
10 COLLECTIVE SENTIMENT OF MEMBERS OF THE BOARD, DR.
11 TROUNSON, DR. FEIGAL, DR. OLSON, ALL THE MEMBERS OF
12 THE STAFF, THAT WE NEEDED TO HAVE A DISCUSSION ABOUT
13 PRIORITIES GOING FORWARD AND HOW WE DEPLOY THE REST
14 OF THAT MONEY.

15 TOWARDS THAT END, DR. TROUNSON BROUGHT
16 TOGETHER, FURTHER TO AN IOM RECOMMENDATION, A
17 SCIENTIFIC ADVISORY BOARD. YOU HEARD THE RESULTS OF
18 THAT. DR. FEIGAL PRESENTED AT THE LAST MEETING,
19 MADE A SERIES OF RECOMMENDATIONS ON THE ISSUE OF
20 PRIORITIZATION AND PROGRAMS. AND THAT, AS SORT OF A
21 SPRINGBOARD FOR PURPOSES OF THIS DISCUSSION, WILL BE
22 REVISITED BY DR. TROUNSON.

23 WE'LL THEN GO ON. DR. OLSON WILL SPEAK TO
24 PUT ALL THESE DISCUSSIONS IN CONTEXT IN TERMS OF
25 WHAT PROGRAMS WE HAVE, HOW IT'S BROKEN DOWN, WHERE

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1 WE HAVE POTENTIAL OPTIONS GOING FORWARD, ETC. SO
2 WE'LL HAVE THE TWO OF THEM PRESENT FIRST, AND THEN,
3 WHEN WE GET TO THE END OF DR. OLSON'S PRESENTATION,
4 WE WILL THEN ENGAGE IN A DISCUSSION FURTHER TO AN
5 OUTLINE THAT YOU ALL HAVE IN YOUR MATERIALS,
6 ALTHOUGH I'LL HAVE A FEW COMMENTS. WE'RE GOING TO
7 REARRANGE THE ORDER OF SOME OF THAT WHEN WE GET TO
8 IT. WE THINK IT WILL MAKE FOR A MORE CONSTRUCTIVE
9 DISCUSSION.

10 SO WITHOUT FURTHER ADO, TURN IT OVER NOW
11 TO DR. TROUNSON.

12 DR. TROUNSON: SO THANK YOU. I'M JUST
13 GOING TO SPEND A FEW MINUTES JUST TO REMIND THE
14 BOARD ABOUT THE SCIENTIFIC ADVISORY BOARD. YOU GOT
15 THE REPORT AND YOU GOT THE MANAGEMENT'S RESPONSE TO
16 THE REPORT. THIS WAS AN ADVICE FROM THE INSTITUTE
17 OF MEDICINE THAT WE FORM A SCIENTIFIC ADVISORY
18 BOARD, AND WE DID. WE HAD THE FIRST FACE-TO-FACE
19 MEETING WITH US IN AUGUST.

20 AND THE SCIENTIFIC ADVISORY BOARD SHOWN
21 HERE, I JUST ADDED THIS JUST TO REMIND YOU WHO WAS
22 ON THE BOARD BECAUSE I THINK IT'S QUITE IMPORTANT TO
23 KNOW WHO IS GIVING THE RECOMMENDATIONS HERE. THE
24 CHAIR OF THE BOARD IS SIR JOHN BELL FROM OXFORD
25 UNIVERSITY. HE'S A REGIS PROFESSOR; THAT IS, HE IS

BARRISTERS' REPORTING SERVICE

1 THE DOCTOR TO THE QUEEN ESSENTIALLY. HE IS ABOVE
2 THE DEAN OF MEDICINE AND UNDER THE VICE CHANCELLOR
3 OF OXFORD UNIVERSITY. HE'S A PERSON WHO GETS THINGS
4 VERY QUICKLY. HE'S ON THE BOARD OF ROCHE, HE'S ON
5 THE BOARD OF GENENTECH. HE HAS SET UP COMPANIES.
6 HE'S BEEN IN ACADEMIA. HE'S A VERY SMART GUY. SO
7 HE CHAIRED THE MEETING FOR US.

8 DR. COREY GOODMAN, ANOTHER MEMBER FROM
9 VENBIO FROM THE INDUSTRY, WAS AT PFIZER, BEFORE THAT
10 AT UCSF. VERY SMART GUY. KNOWS WHAT'S HAPPENING IN
11 INDUSTRY. IS IN THE VENTURE INDUSTRY AT THE PRESENT
12 TIME.

13 THE THIRD PERSON WAS SEAN MORRISON FROM
14 THE CHILDREN'S RESEARCH INSTITUTE AT THE UNIVERSITY
15 OF TEXAS SOUTHWEST. SEAN IS PROBABLY THE REAL MOVER
16 IN CANCER IN STEM CELLS IN THE WORLD. AND HE'S
17 CURRENTLY ABOUT TO BE THE PRESIDENT OF THE
18 INTERNATIONAL STEM CELL RESEARCH SOCIETY. SEAN IS A
19 VERY STRONG-MINDED PERSON, KNOWS WHERE THINGS GO,
20 KNOWS HOW TO GET THINGS DONE.

21 THE FOURTH PERSON IS DR. CHRISTINE MUMMERY
22 FROM LEIDEN UNIVERSITY MEDICAL CENTER IN THE
23 NETHERLANDS. CHRISTINE, I'VE ACTUALLY WORKED WITH
24 CHRISTINE FOR 20 YEARS OFF AND ON. AND SHE'S ONE OF
25 THE MOST RESPECTED STEM CELL RESEARCHERS IN THE

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1 WORLD. HER INTEREST IS IN THE HEART. SHE'S THE
2 HEAD OF THE STEM CELL CENTER IN LEIDEN. SHE'S ALSO
3 EDITOR SOME OF THE CRITICAL PUBLICATIONS, STEM CELL
4 REPORTS, A NEW JOURNAL FOR THE INTERNATIONAL STEM
5 CELL SOCIETY.

6 THE FIFTH PERSON IS STU ORKIN FROM HARVARD
7 MEDICAL SCHOOL, DANA FARBER CANCER INSTITUTE IN
8 HEMATOLOGY AND STEM CELLS, REGARDED AT THE TOP OF
9 HIS FIELD, TOP STEM CELL, ONE OF THE TOP STEM CELL
10 RESEARCHERS IN THE WORLD. HE WAS ALSO HEAD OF OUR
11 GRANTS WORKING GROUP. AND ALSO CHRISTINE MUMMERY
12 HAS BEEN ON OUR GRANTS WORKING GROUP AS WELL. SO
13 STU WAS THE CHAIR OF OUR GRANTS WORKING GROUP FOR
14 MANY YEARS. SO HE'S WELL-KNOWN TO MANY PEOPLE HERE.

15 DR. FIONA WATT FROM THE CENTER OF STEM
16 CELLS REGENERATIVE MEDICINE AT KINGS COLLEGE IN THE
17 UK, ANOTHER VERY RESPECTED STEM CELL RESEARCHER.
18 WORKS PRIMARILY IN THE SKIN. A VERY SOUND BASIC
19 SCIENTIST WITH A STRONG ACADEMIC BASIC SCIENCE DRIVE
20 AND LEADING THE KINGS COLLEGE STEM CELL INITIATIVES.

21 JOHN WAGNER FROM THE UNIVERSITY OF
22 MINNESOTA IS, I THINK, ONE OF THE BEST CLINICIANS IN
23 THE WORLD. HE'S CERTAINLY ONE OF THE MOST
24 INNOVATIVE. HE'S DONE SOME EXTRAORDINARY THINGS IN
25 HIS LIFE, AND HE SEES WAYS THROUGH WOODED FORESTS

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1 THAT MANY OTHER PEOPLE HAVEN'T DONE. HE'S ALSO ON
2 OUR GRANTS WORKING GROUP AND KNOWS US VERY WELL.

3 SO THIS WAS A PRETTY EXTRAORDINARY GROUP
4 OF PEOPLE. MARIA-GRAZIA RONCAROLO WAS UNABLE TO
5 MAKE IT, BUT SHE WAS THE ONLY ONE OF THE GROUP THAT
6 DIDN'T COME. SO THESE ARE THE PEOPLE THAT GAVE US
7 THE RECOMMENDATIONS.

8 SO THE NO. 1 RECOMMENDATION, THE PRIMARY
9 RECOMMENDATION, TO US IS THAT THE SAB ADVISES CIRM
10 TO IDENTIFY THROUGH A PRIORITIZATION PROCESS THE TOP
11 SIX TO EIGHT PROJECTS WITH CLEAR RELEVANCE TO THE
12 REMIT OF CIRM'S STEM CELL MISSION. SO IDENTIFY
13 THOSE PROJECTS AND SET ASIDE THE FUNDING TO ENSURE
14 THE PROJECTS CAN PROCEED TO PHASE I AND PHASE IIA
15 CLINICAL TRIALS AS RAPIDLY AS POSSIBLE WITHOUT
16 FINANCIAL IMPEDIMENTS.

17 THAT WAS THEIR RECOMMENDATION. MANAGEMENT
18 AGREES WITH THAT, AND WE THINK THAT FOLLOWING THIS
19 RECOMMENDATION WILL CEMENT CIRM'S REPUTATION,
20 ACHIEVE THE PRIMARY STRATEGIC GOAL THAT HAD BEEN SET
21 FOR CIRM, AND PROVIDE THE NECESSARY VERIFICATION OF
22 PROPOSITION 71. AND THIS IS REALLY, REALLY
23 IMPORTANT. AND I ACTUALLY THINK THIS IS WHAT THE
24 COMMUNITY REALLY DOES EXPECT OF US. IF YOU LOOK AT
25 THE PRIMARY OBJECTIVES OF CIRM, IT COMES DOWN TO

BARRISTERS' REPORTING SERVICE

1 MAKING STEM CELLS RELEVANT TO PATIENTS. AND SO WE
2 THINK THAT THIS IS THE CORRECT WAY FORWARD.

3 AND IT WAS ALSO RECOMMENDED INDEPENDENTLY
4 BY MY BUSINESS ADVISORY GROUP BEFORE THAT. SO IT'S
5 BEEN STRONGLY ENDORSED THAT WE ACTUALLY GET THESE
6 PROJECTS THROUGH TO PROOF OF CONCEPT IN A HUMAN AND
7 GET ENOUGH OF THEM THROUGH TO DEMONSTRATE TO THE
8 COMMUNITY THAT WE CAN DO THAT. AND IF WE CAN DO
9 THIS IN A TIME FRAME SET BY OUR STRATEGIC PLAN, AND
10 THAT SAYS THAT WE'LL HAVE TEN FUNDED THERAPIES IN
11 PHASE I OR II CLINICAL TRIALS IN AT LEAST FIVE
12 DIFFERENT THERAPEUTIC AREAS BASED ON STEM CELL
13 RESEARCH, WE WILL HAVE DONE AN EXTRAORDINARY THING.
14 IT'S BETTER PERFORMANCE THAN I EVER THOUGHT WAS
15 REALLY POSSIBLE WHEN I STARTED THIS JOB.

16 AND IF WE CAN DO THAT, I THINK THE
17 COMMUNITY WOULD REJOICE THAT PROPOSITION 71 WAS A
18 SUCCESSFUL EXPERIMENT. AND IT WILL SAY THINGS TO
19 THE WORLD THAT SETTING UP A PROPOSITION AND A
20 PROGRAM LIKE CIRM IS A VERY, VERY WORTHWHILE THING
21 TO DO, AND OTHER STATES, OTHER COUNTRIES, I THINK,
22 WILL FOLLOW SUIT.

23 SO I THINK IT'S IN OUR STRATEGIC PLAN. I
24 THINK IT'S IN OUR PRIMARY SIGHTS. I THINK IT'S
25 SOMETHING WE SHOULD DO, AND WE SHOULD BE ABLE TO

BARRISTERS' REPORTING SERVICE

1 DEMONSTRATE IN SHORT ORDER THAT WE'RE ABLE TO TAKE
2 DISCOVERIES AND GET THEM INTO THE CLINIC.

3 THE SECOND RECOMMENDATION WAS CONTINUED
4 FUNDING OF TRAINING PROGRAMS AT ALL LEVELS TO
5 DEVELOP A WORKFORCE OF TRAINED INDIVIDUALS WHICH
6 WILL BE VALUABLE AS CELL THERAPIES BURGEON. AND IT
7 IS CLEAR TO US THAT TO CONTINUE TO ENABLE HUMAN
8 RESOURCES TO EXPAND IN CALIFORNIA WITH LIKELY NEW
9 INDUSTRIES, COMPANIES, MANUFACTURING, CLINICAL
10 TRIALS, REAGENTS OF THE FIELD, EQUIPMENT, SPINOFFS,
11 AND EXPANDING RESEARCH STRENGTHS IS WHAT WE SHOULD
12 DO. WE SHOULD POWER UP THIS FOR CALIFORNIA. WE
13 SHOULD DO THIS. WE SHOULD PROVIDE THE CAPACITY FOR
14 THE HUMAN CAPITAL TO BE THERE TO TAKE ADVANTAGE OF
15 WHAT WE'VE SEEDED.

16 THE THIRD RECOMMENDATION WAS TO CONTINUE
17 FUNDING -- WAS REALLY ABOUT THE CONTINUED FUNDING OF
18 THE 17 SHARED LABS. THEY BELIEVE THAT WE SHOULDN'T
19 CONTINUE THAT. THEY SHOULD OPERATE ON A REVENUE
20 NEUTRAL BASIS. ALTHOUGH ESSENTIAL TO THE SAFE HAVEN
21 DURING THE NIH FUNDING BAN, THE IMPORTANCE OF THESE
22 RESOURCES TO CIRM'S MISSION AND ACHIEVING
23 SUSTAINABILITY OF EARLY INVESTMENTS IS NOT AS
24 COMPELLING. THIS WAS THE VIEW OF THE SCIENTIFIC
25 ADVISORY BOARD.

BARRISTERS' REPORTING SERVICE

1 WHILE MANAGEMENT RECOGNIZES THE SHARED
2 LABS HAVE HELPED TO TRAIN AND EQUIP NEW SCIENTISTS
3 IN GENERAL, STEM CELL DERIVATION HANDLING AND
4 DIFFERENTIATION PROCEDURES, INSTITUTIONS, WE THINK,
5 SHOULD CONTINUE THEM AS EITHER REVENUE NEUTRAL OR
6 FOLD THEM INTO THE INSTITUTE/CENTER GENERAL
7 INFRASTRUCTURE FOR GENERAL TRAINING ACTIVITIES.

8 WHEN I FIRST CAME, THE SHARED LABS WAS
9 ALREADY STARTED. AND I THINK THE VIEW THERE WAS
10 THAT THIS SHOULD MOVE ON TO A SUSTAINABLE PROGRAM
11 THAT WAS SUSTAINABLE WITHIN THE INSTITUTIONS. AND
12 CERTAINLY THE SECOND ROUND OF FUNDING WE THOUGHT
13 WE'D GIVE THEM A SECOND TRANCHE TO ENABLE THIS TO
14 HAPPEN. AND I THINK I'M IN AGREEMENT.

15 MANAGEMENT IS IN AGREEMENT WITH THE BOARD
16 ON THIS, THAT IT'S PROBABLY TIME THAT THIS MOVES OFF
17 INTO A SUSTAINABLE PROGRAM IF IT NEEDS TO BE
18 CONTINUED BY THE INSTITUTIONS. YOU HAVE TO JUDGE
19 WHETHER PUTTING MORE MONEY INTO THIS IS MORE
20 VALUABLE THAN PUTTING MONEY INTO SOME OTHER ASPECT
21 OF CIRM ACTIVITIES. WITH THE SAB'S RECOMMENDATION,
22 OUR ENDORSEMENT, I THINK YOU HAVE TO THINK CAREFULLY
23 ABOUT THIS, BUT I THINK IT'S PROBABLY TIME THAT THE
24 INSTITUTIONS STOOD UP AND SAID, OKAY, IT'S TIME FOR
25 THIS.

BARRISTERS' REPORTING SERVICE

1 THE INITIAL TRAINING FOR EMBRYONIC STEM
2 CELLS IS NOW PAST REALLY BECAUSE PEOPLE IN
3 INSTITUTIONS ARE WELL TRAINED IN THAT, AND THEY USE
4 IT FOR ALL SORTS OF OTHER PURPOSES, WHICH IS A FAIR
5 THING. BUT I THINK THE ORIGINAL PURPOSE OF THE
6 SHARED LABS HAS PROBABLY TRAVELED BEYOND WHAT'S
7 REALLY ESSENTIAL, LET ME SAY, FOR CONTINUED FUNDING.

8 THE RECOMMENDATION 4 WAS A RECOMMENDATION
9 FOR SUPPORT OF BASIC RESEARCH, ALTHOUGH THEY FELT
10 THE RESTRICTION TO SOME RFA'S TO PROJECTS USING ONLY
11 HUMAN CELLS WAS TOO PRESCRIPTIVE AND IT DIDN'T TAKE
12 INTO ACCOUNT THE BENEFITS OF MODEL ORGANISMS THAT
13 RESEARCH CAN OFFER.

14 MANAGEMENT'S RESPONSE TO THAT WAS THAT
15 HUMAN CELLS ARE RATHER A PRIORITY FROM THE
16 BEGINNING. WE'VE MADE IT A PRIORITY BECAUSE NIH WAS
17 NOT MAKING IT A PRIORITY WORKING IN HUMAN CELLS.
18 THESE SYSTEMS MORE CLOSELY MIMIC THE HUMAN
19 CONDITION. OVER AND OVER AGAIN WE HEAR THIS. IT'S
20 DIFFERENT TO THE MOUSE, IT'S DIFFERENT TO THE MODEL
21 SYSTEMS, AND BY THEIR NATURE ARE MORE COMPLEX TO
22 DEVELOP, AND TRADITIONALLY HAVE NOT BEEN WELL
23 SUPPORTED BY OTHER FUNDING BODIES.

24 INNOVATIVE IDEAS THAT COULD BE
25 DEMONSTRATED WITH RESEARCH ON MODEL SYSTEMS HAVE

BARRISTERS' REPORTING SERVICE

1 BEEN INCLUDED IN OUR BASIC SCIENCE RFA'S IN RECENT
2 YEARS. AND MANAGEMENT BELIEVES THAT WE SHOULD
3 CONTINUE TO EMPHASIZE STUDY ON HUMAN CELL SYSTEMS,
4 BUT POTENTIALLY TRANSFORMATIVE STUDIES USING OTHER
5 ORGANISMS WILL ALSO CONTINUE TO BE ELIGIBLE FOR
6 RESEARCH FOR SUPPORT FROM US.

7 SO WE SAY THAT IF YOU ARE GOING TO DO
8 MODEL WORK, MAKE SURE THAT IT IS TRANSFORMATIVE FOR
9 OUR SUPPORT. OTHERWISE LET'S WORK CLOSER TO THE
10 SYSTEMS THAT ARE IN THE HUMAN BECAUSE THEY'RE
11 ACTUALLY MORE RELEVANT.

12 THE RECOMMENDATION NO. 5, THE SAB HAD VERY
13 POSITIVE VIEWS AND INTERACTIONS WITH CIRM AND THE
14 COMMERCIAL SECTOR. THEY NOTED THE ADVANTAGE OF
15 LEVERAGED FUNDING FROM THE COMMERCIAL SECTOR OF
16 EXTERNALLY VALIDATING THE QUALITY OF SCIENCE AND THE
17 LIKELIHOOD OF SUCCESS. AND THAT STANDS ABSOLUTELY.

18 THEY ALSO RECOMMENDED THAT THE PRIORITIZED
19 SET OF PROJECTS THAT WE TALKED ABOUT IN THE
20 RECOMMENDATION 1, IT'S IMPORTANT TO ENSURE THAT THEY
21 CAN BE FUNDED WITHOUT A REQUIRING MATCHED LEVERAGED
22 FUNDING UNTIL AFTER PROOF OF CONCEPT. THEY'RE NOT
23 AGAINST THE LEVERAGE, BUT NOT TO INHIBIT THEM BY
24 INSERTING REQUIREMENTS FOR THEM TO BE LEVERAGED WHEN
25 SUCCESSFUL PROGRAMS READILY ATTAIN EXTERNAL SUPPORT

BARRISTERS' REPORTING SERVICE

1 AT THE PHASE IIA POINT GOING FORWARD. AND THERE
2 WILL BE A LOT MORE TALK ABOUT THAT LATER.

3 RECOMMENDATION 6 IS HOW BEST TO MAKE THE
4 CASE THAT CIRM WAS THE GREAT INNOVATION IN PUBLIC
5 FUNDING OF CUTTING-EDGE SCIENCE AND WHETHER IT HAS
6 DELIVERED OR CAN CONTINUE TO DELIVER IN THE FUTURE
7 VALUE TO THE CITIZENS OF CALIFORNIA AND TO THE FIELD
8 OF REGENERATIVE MEDICINE.

9 I THINK ADVANCING PROJECTS TO SUCCESSFUL
10 ACHIEVEMENT OF CLINICAL PROOF OF CONCEPT WILL BE
11 IMPORTANT IN MAKING THIS CASE TO THE PUBLIC. I
12 THINK THAT IS CLEAR. CAREFUL SELECTION OF THESE
13 PROJECTS AND THEIR EFFECTIVE SUPPORT WILL BE KEY TO
14 SHOWING THAT CIRM IS DELIVERING ON ITS ORIGINAL
15 PROMISE.

16 SO WITH THOSE WORDS, I THINK WE SHOULD
17 SORT OF TRAVEL ON. THERE ARE SEVERAL OTHER THINGS
18 WE'RE GOING TO TALK ABOUT BEYOND THE SAB REPORT, BUT
19 I THINK IT'S IMPORTANT TO SORT OF GET YOUR VIEWS ON
20 THESE IMPORTANT RECOMMENDATIONS HERE. I'VE LEFT OUT
21 SOME OF THE OTHERS WHICH I DON'T THINK WERE SO
22 CRITICAL. BUT I, LIKE JOHN SAID IN THE BEGINNING, I
23 THINK IT'S INCREDIBLY IMPORTANT FOR US TO FIND A WAY
24 FORWARD HERE. IT IS TIME FOR US TO UNDERSTAND HOW
25 WE PROGRESS. AND IT'S GOING TO TAKE MONEY TO KEEP

BARRISTERS' REPORTING SERVICE

1 THESE TRANSLATION PROJECTS ALIVE, THE ONES THAT
2 WE'VE ALREADY GOT IN PROCESS. AND SO AS I PROMISED
3 A YEAR AND A HALF AGO, WE'RE GOING TO COME FORWARD
4 WITH A WHITE PAPER WHICH YOU'VE GOT AND A SET OF
5 RECOMMENDATIONS FOR YOU TO CONSIDER IN THE EVENT
6 THAT THERE IS NO OTHER MAJOR WINDFALL OF FUNDING
7 FROM SOME OTHER WAY.

8 SO I HOPE THAT IS A REASONABLE
9 INTRODUCTION INTO THE DAY. AND WE'VE GOT A HARD DAY
10 OF WORK IN FRONT OF US, AND I'LL PASS ON TO THE NEXT
11 SPEAKER UNLESS SOMEBODY WANTS TO ASK ME A SPECIFIC
12 QUESTION RIGHT NOW.

13 DR. DULIEGE: DO WE HAVE DISCUSSION NOW,
14 OR WILL THERE BE A TIME DURING THE NEXT TWO DAYS
15 WHERE WE CAN HAVE THE OPPORTUNITY TO ASK QUESTIONS?

16 CHAIRMAN THOMAS: I THINK ALL OF THESE
17 THEMES ARE GOING TO COME UP IN ONE WAY OR ANOTHER
18 THROUGHOUT THE COURSE OF THE MEETING. PROBABLY WE
19 ADDRESS THEM INDIVIDUALLY AS THEY ARISE.

20 ANY OTHER COMMENTS, QUESTIONS? OKAY. SO
21 NOW WE MOVE ON TO PAT, WHO'S SORT OF GOING TO PAINT
22 THE OVERVIEW OF WHERE WE ARE TODAY AND AS IT
23 PERTAINS TO WHERE WE GO FROM HERE. DR. OLSON.

24 DR. OLSON: THANK YOU VERY MUCH. SO,
25 CHAIRMAN THOMAS, MEMBERS OF THE BOARD, STAFF, AND

BARRISTERS' REPORTING SERVICE

1 MEMBERS OF THE PUBLIC, WHAT I'D LIKE TO DO TODAY IS
2 I'D LIKE TO PROVIDE YOU AN UPDATE ON THE RFA FUNDING
3 FIRST IN THE CONTEXT OF THE SCENARIOS THAT WERE
4 ACTUALLY OUTLINED IN THE STRATEGIC PLAN WHICH WAS
5 APPROVED BY YOU EARLY LAST YEAR. SECOND, I WANT TO
6 PROVIDE A NEW FUNDING SCENARIO IN THE CONTEXT OF THE
7 SAB AND MANAGEMENT RECOMMENDATIONS WHICH YOU'VE JUST
8 HEARD FROM ALAN.

9 SO WHAT I SHOW HERE IS OUR CURRENT FUNDING
10 ALLOCATION. THE CURRENT -- SO WE HAVE 2.74 BILLION
11 THAT'S ESSENTIALLY AVAILABLE FOR RESEARCH FUNDING.
12 AND FOR THOSE ON THE PHONE, I'M ON THE SECOND SLIDE
13 WHICH IS CALLED "CURRENT FUNDING ALLOCATION DETAIL."
14 AND WHAT YOU SEE I'M TRYING TO POINT TO, AT LEAST ON
15 THE ONE SIDE, UNDER THE AWARDED COLUMN, SO THIS IS
16 MONEY THAT HAS BEEN APPROVED FOR FUNDING BY THE
17 ICOC. AND I SHOULD SAY THAT IN THE CONTEXT OF THIS
18 DISCUSSION WHAT I AM ASSUMING IS THAT THE FUNDING
19 FOR THE DUANE ROTH DISEASE TEAM THERAPY DEVELOPMENT
20 AWARDS III, WHICH YOU'RE ACTUALLY GOING TO ADDRESS
21 TOMORROW, I'M ASSUMING IT'S FUNDING AS RECOMMENDED.
22 SO I JUST WANT TO PUT THAT OUT THERE RIGHT NOW.

23 SO AS YOU CAN SEE BY THAT, ESSENTIALLY YOU
24 HAVE AWARDED \$1.79 BILLION IN FUNDING. CONCEPT
25 APPROVED, LET ME JUST REMIND YOU THAT THAT IS THAT

BARRISTERS' REPORTING SERVICE

1 THE ICOC HAS AGREED TO ALLOCATE A GIVEN AMOUNT OF
2 FUNDS TO BE AVAILABLE FOR A GIVEN PROGRAM, BUT NO
3 FUNDING DECISIONS HAVE YET BEEN MADE ON THOSE. BUT
4 AT THIS POINT, THERE'S ABOUT 320 MILLION IN THAT
5 CATEGORY.

6 FUTURE ACTUALLY I CONSIDER IN TWO POTS
7 HERE. FUTURE FUNDING IS THE REMAINING RESEARCH
8 FUNDS, AND IT INCLUDES THOSE ALLOCATED UNDER A
9 PARTICULAR SCENARIO. SO THAT'S THE SO-CALLED
10 ALLOCATED. AND FOR THE SAKE OF SIMPLICITY HERE, I
11 PUT IN SCENARIO 1. SO THERE'S 461 MILLION THAT WERE
12 AT LEAST EARMARKED FOR A CERTAIN PROGRAM AND THAT'S
13 SHOWN THERE. AND THEN THE FUTURE UNALLOCATED IS
14 THOSE FUNDS THAT CAME BACK THAT WERE NOT AWARDED
15 THAT WERE, SAY, CONCEPT APPROVED, BUT NOT AWARDED.

16 SO ON THE FAR RIGHT YOU CAN SEE THE FUTURE
17 ALLOCATED PLUS UNALLOCATED. THERE'S A CERTAIN POT
18 OF MONEY IN EACH CATEGORY.

19 THERE'S A COUPLE OF POINTS I WANT TO MAKE
20 HERE, THAT OF THE 1.8 BILLION OR APPROXIMATELY 1.8
21 BILLION AWARDED, THERE IS STILL ABOUT 550 MILLION
22 THAT HAS NOT BEEN DISBURSED. SO IN THE TABLE 1 IN
23 YOUR PREREAD THAT I GAVE YOU, YOU SAW THAT WE
24 HAVEN'T PUT OUT ALL THAT MONEY YET. HOPEFULLY WE
25 WILL, BUT YOU NEVER KNOW. SOME PROJECTS ARE

BARRISTERS' REPORTING SERVICE

1 STOPPED. SOME PROJECTS STOP THEMSELVES WHEN THE PI
2 MOVES. SO THERE IS A CERTAIN AMOUNT OF MONEY THAT
3 IS YET TO BE DISBURSED.

4 THERE'S ESSENTIALLY 950 MILLION YET TO BE
5 AWARDED, 321 OF THE CONCEPT APPROVED, AND THE 629 OF
6 THE FUTURE. SO I WANT TO MAKE THAT POINT.

7 I'M GOING TO GO NOW TO SLIDE 3 FOR THOSE
8 ON THE PHONE.

9 DR. JUELSGAARD: JUST SO I'M CLEAR ON THE
10 TERMINOLOGY HERE, PAT, SO CONCEPT APPROVED IS NOT AN
11 OBLIGATION FOR US TO SPEND THAT MONEY. IS THAT
12 FAIR?

13 DR. OLSON: NO. WHAT IT IS IS WE HAVE PUT
14 OUT AN RFA WITH A GIVEN AMOUNT OF MONEY AVAILABLE,
15 BUT THE BOARD MAY CHOOSE NOT TO AWARD ANY OF THE
16 FUNDS THAT WERE RECOMMENDED BY THE GRANTS WORKING
17 GROUP. AND SLIDE 3, IN FACT, GOES INTO THE DETAIL
18 OF THE CURRENTLY CONCEPT APPROVED PROGRAMS. SO
19 THAT'S THE ONE THAT'S UP THERE NOW.

20 AND WHAT YOU CAN SEE IS THAT IN THE
21 FACILITIES CORE RESOURCE CATEGORY, WHAT IS CURRENTLY
22 CONCEPT APPROVED IS THE ALPHA STEM CELL CLINICS.
23 THAT FUNDING DECISION FOR 70 MILLION WILL COME TO
24 YOU IN JULY OF NEXT YEAR, SO WITHIN THE NEXT SEVEN
25 MONTHS.

BARRISTERS' REPORTING SERVICE

1 IN THE TRAINING CAREER DEVELOPMENT
2 CATEGORY, WHAT IS CURRENTLY CONCEPT APPROVED BY YOU
3 IS A \$23 MILLION POT WHICH IS AN EXTENSION OF THE
4 RESEARCH LEADERSHIP AWARDS. THAT FUNDING DECISION
5 WILL COME TO YOU IN MAY OF THIS NEXT YEAR, SO WITHIN
6 THE NEXT FIVE MONTHS.

7 WITHIN THE BASIC RESEARCH CATEGORY, WHAT'S
8 CURRENTLY CONCEPT APPROVED IS THE BASIC RESEARCH V
9 AND THE STEM CELL GENOMICS, EACH FOR 40 MILLION. SO
10 THERE'S A TOTAL OF \$80 MILLION THAT WILL COME TO YOU
11 FOR A FUNDING DECISION IN JANUARY, NEXT MONTH.
12 OKAY.

13 IN THE TRANSLATIONAL RESEARCH CATEGORY,
14 THERE IS A TOOLS AND TECHNOLOGIES AWARD THAT IS
15 OUTSTANDING FOR 35 MILLION. THAT RFA WAS JUST
16 RELEASED. AND SO THAT ONE WILL NOT COME FOR A
17 FUNDING DECISION UNTIL LATER NEXT YEAR.

18 AND THEN FINALLY, IN DEVELOPMENT THERE'S
19 THE STRATEGIC PARTNERSHIP III PROGRAM THAT HAS BEEN
20 CONCEPT APPROVED FOR \$80 MILLION. THAT ONE WILL
21 LIKELY COME TO YOU IN MAY OF, AGAIN, NEXT YEAR, SO
22 WITHIN THE NEXT FIVE AND A HALF MONTHS.

23 THE MULTIPLE OR ONGOING, SO THE EXTERNAL
24 INNOVATION, THE BRIDGING, AND THE EXTRAORDINARY
25 SUPPLEMENTS, ARE MORE OR LESS ONE-OFF AWARDS THAT

BARRISTERS' REPORTING SERVICE

1 COME WHEN THEY'RE AVAILABLE OR COME WHEN SOMEONE HAD
2 APPLIED FOR THEM.

3 SO A POINT I WANT TO MAKE IS THAT, BASED
4 ON DATA TO DATE, AND THIS ACTUALLY CAN BE FOUND IN
5 YOUR TABLE 1 OF THE PREREAD THAT I PUT OUT, IS
6 BETWEEN 23 AND 48 MILLION OR BETWEEN 7 AND 15
7 PERCENT OF THE CONCEPT APPROVED FUNDING WILL NOT BE
8 AWARDED OR ALLOCATED. ACTUALLY 10 PERCENT OF THAT.
9 SO IF YOU LOOK AT 10 PERCENT OF THE CONCEPT APPROVED
10 MONEY, IT WILL EITHER NOT BE AWARDED OR IT WILL BE
11 REDUCED DURING PFAR. SO THAT'S ROUGHLY OF THAT 320
12 MILLION, ROUGHLY 32 MILLION.

13 SO I JUST WANT TO MAKE THAT POINT, THAT
14 WHAT'S CONCEPT APPROVED BASED ON THE DATA OF THE
15 AWARDS WE'VE MADE TO DATE BASED ON WHAT STAFF DOES
16 WHEN THEY REVIEW THE BUDGETS AND SUCH, REALLY THERE
17 IS THE POTENTIAL FOR 10 PERCENT OF THAT MONEY, AND
18 THAT'S JUST AN OVERALL VIEW OF EVERYTHING COMING
19 BACK.

20 I'D LIKE TO GO TO THE NEXT SLIDE NOW.
21 THAT'S SLIDE NO. 4. THIS IS THE FUTURE FUNDING
22 SCENARIOS. THIS IS ACTUALLY -- THERE WERE TWO
23 SCENARIOS THAT WE PUT OUT IN THE 2012 STRATEGIC PLAN
24 FROM EARLY NEXT YEAR. AND I JUST WANT TO HIGHLIGHT
25 THE DIFFERENCES. ACTUALLY THEY'RE JUST STARTING TO

BARRISTERS' REPORTING SERVICE

1 DIVERGE NOW. THEY'RE PRETTY MUCH IDENTICAL UP TO
2 THIS POINT; BUT IF WE WERE TO MOVE FORWARD WITH THEM
3 NOW, THEY WOULD DIVERGE.

4 IN THE SCENARIO 2 OF THE 2012 STRATEGIC
5 PLAN, THERE WAS A CONTINUATION OF THE SHARED LABS
6 WAS CONTEMPLATED, AS WAS A REDUCED TRAINING PROGRAM.
7 TRAINING THERE DEFINED AS TRAINING II AND BRIDGES.
8 YOU WILL NOTICE THAT THE TRAINING II, HOWEVER, IS
9 ACTUALLY QUITE SUBSTANTIALLY REDUCED FROM THE \$48
10 MILLION PROGRAM IT IS NOW, BUT IT WAS AT A COST. IT
11 WAS AT THE COST OF ONLY TWO MORE BASIC BIO PROGRAMS
12 INSTEAD OF THREE AS WAS IN SCENARIO 1. AND IT'S AT
13 THE COST OF A REDUCTION IN BOTH TRANSLATIONAL AND
14 DEVELOPMENT RESEARCH.

15 SO IF YOU COMPARE, I THINK I'VE
16 HIGHLIGHTED FOR THOSE IN THE ROOM, FOR THOSE ON THE
17 PHONE, YOU CAN JUST SEE THAT IN THE CATEGORY "BASIC
18 RESEARCH," THERE WAS ONLY A HUNDRED MILLION, OR
19 THERE'S A HUNDRED MILLION THAT WAS PLANNED IN
20 SCENARIO 1 AND ONLY 70 MILLION IN SCENARIO 2.
21 SIMILARLY, THERE WAS ROUGHLY 95 MILLION PLANNED IN
22 SCENARIO 1 AND ONLY 60 MILLION IN SCENARIO 2 FOR
23 TRANSLATIONAL RESEARCH. AND THEN THERE WAS 363
24 MILLION FOR DEVELOPMENT IN SCENARIO 1 AND 343
25 MILLION IN SCENARIO 2. SO I THINK, AS WE ALL

BARRISTERS' REPORTING SERVICE

1 REALIZE, THERE IS A MATTER OF TRADE-OFFS.

2 THAT WAS JUST FOR THE SCENARIOS THAT WERE
3 PUT OUT AT THAT POINT. NOW I'M ON THE NEXT SLIDE.
4 THIS IS SLIDE 5. I'D LIKE TO GO OVER SOME
5 ASSUMPTIONS I'VE MADE IN DEVELOPING A NEW SCENARIO
6 FOR YOUR CONSIDERATION. AND BASICALLY THE
7 ASSUMPTIONS ARE THE FOLLOWING: THAT WE IMPLEMENT
8 THE MANAGEMENT AND THE SAB RECOMMENDATIONS; THAT THE
9 PROPOSED SCENARIO BE COMPATIBLE WITH OUR CURRENTLY
10 APPROVED STRATEGY; THAT CLINICAL PROOF OF CONCEPT IS
11 A PRIORITY AS IT WAS BACK IN THE 2012 STRATEGIC
12 PLAN. ADDED TO THAT IS THE SAB RECOMMENDATION OF
13 FUNDING SIX TO EIGHT PRIORITIZED DEVELOPMENT
14 PROGRAMS TO ACHIEVE CLINICAL PROOF OF CONCEPT. AND
15 I WILL REMIND YOU THAT IS THE KEY STRATEGIC GOAL FOR
16 THE CLINICAL IS CLINICAL PROOF OF CONCEPT FOR AT
17 LEAST ONE CELL THERAPY.

18 I WOULD ALSO JUST POINT OUT TO YOU,
19 BECAUSE I THINK IT'S IMPORTANT THAT YOU KNOW, THAT
20 MOST OF THE CIRM'S CURRENT DEVELOPMENT PORTFOLIO IS
21 ACTUALLY FUNDED FOR THE NEXT TO THREE TO FOUR YEARS,
22 INCLUDING PROJECTS THAT COULD RESULT IN CLINICAL
23 PROOF OF CONCEPT IN THAT TIME FRAME.

24 THE OTHER ASSUMPTION I'VE MADE IS TO
25 PROVIDE FUNDING OPPORTUNITIES FOR MOVING EXISTING

BARRISTERS' REPORTING SERVICE

1 MERITORIOUS EARLY TRANSLATIONAL PROJECTS TOWARD AND
2 INTO AND THROUGH DEVELOPMENT. AND ALSO TO PROVIDE
3 FUNDING OPPORTUNITIES FOR MOVING EXISTING NEW
4 DEVELOPMENT PROGRAMS FURTHER THROUGH DEVELOPMENT.

5 I'M NOW MOVING TO SLIDE 6 ENTITLED "FUTURE
6 SCENARIO: CURRENT AND PROPOSED." AND I HAVE HERE A
7 COMPARISON OF THE CURRENT SCENARIO, IN THIS CASE
8 SCENARIO 1, WHICH WE'VE BEEN OPERATING UNDER AND
9 THAT I'M PROPOSING BASED ON THE PREVIOUS
10 ASSUMPTIONS.

11 I JUST WANT TO HIGHLIGHT SOME OF THE
12 DIFFERENCES OR SOME OF THE KEY POINTS THAT ARE IN
13 THIS PROPOSED SCENARIO. WE'RE PROPOSING IN THE
14 CATEGORY OF THE FACILITIES AND CORE RESOURCES A
15 HAPLOTYPE BANK FOR ROUGHLY \$10 MILLION. THIS WILL
16 BE DISCUSSED LATER BY DR. TROUNSON. BUT THE IDEA
17 HERE IS TO KEEP CIRM AT THE FOREFRONT IN LEADERSHIP
18 IN THIS BIG INTERNATIONAL INITIATIVE. SO I THINK
19 THAT'S AN IMPORTANT CONSIDERATION.

20 THE OTHER THING I WANT TO NOTE IS THAT IN
21 ACCORDANCE WITH THE SAB AND MANAGEMENT
22 RECOMMENDATION, THAT WE WILL CONTINUE THE TRAINING
23 PROGRAMS. AND HERE I DO WANT TO POINT SOMETHING
24 OUT. SO TRAINING II WITH A SECOND, THIRD YEAR
25 EXTENSION, WE WILL HAVE FUNDED TRAINING II FOR NINE

BARRISTERS' REPORTING SERVICE

1 YEARS. WE WILL HAVE FUNDED TRAINING IN TOTAL OF THE
2 PRE-DOCS, POST DOCS, AND CLINICAL FELLOWS THAT IS
3 TARGETED BY THIS PROGRAM FOR TWELVE YEARS BECAUSE WE
4 DID HAVE A THREE-YEAR TRAINING I PROGRAM PRIOR TO
5 THIS. SO WE WILL HAVE DONE A LOT TO TRAIN IN STEM
6 CELL RESEARCH THE MANY PEOPLE WHO WILL GO OUT
7 THROUGHOUT CALIFORNIA AND THE COUNTRY AND BE
8 KNOWLEDGEABLE IN THIS AREA, KNOWLEDGEABLE ABOUT
9 RESEARCH IN THIS AREA.

10 THE BRIDGES PROGRAM, IF WE DO A SECOND
11 EXTENSION, DON'T FORGET YOU'VE ALREADY AUTHORIZED A
12 FIRST EXTENSION, IT WILL BE WE WILL HAVE TRAINED
13 BRIDGES STUDENTS FOR NINE YEARS. AND THEN THE
14 CREATIVITY PROGRAM, WHICH IS FOR HIGH SCHOOL
15 STUDENTS, THAT WOULD BE A SECOND EXTENSION AND FOR
16 SIX YEARS. SO YOU CAN SEE THAT EXTENDING THESE
17 TRAINING PROGRAMS WILL COME AT A COST OF ABOUT \$73
18 MILLION.

19 THE BASIC BIOLOGY PROGRAM, WE WANT TO DO
20 THREE MORE ROUNDS. SO WE DO THOSE ANNUALLY AT \$30
21 MILLION -- AT ABOUT \$30 MILLION EACH. THIS BUYS US
22 ABOUT 67 OR 70 MORE BASIC BIOLOGY PROGRAMS, AND WE
23 THINK THAT'S IMPORTANT.

24 IN THE SENSE FOR THE TRANSLATIONAL
25 RESEARCH, THIS IS ONE THAT REALLY IS SHOWING A BIG

BARRISTERS' REPORTING SERVICE

1 CHANGE.

2 CHAIRMAN THOMAS: DR. OLSON, WE HAVE A
3 QUESTION HERE.

4 MR. TORRES: THANK YOU FOR ALL THE HARD
5 WORK, DR. OLSON, BECAUSE I'M ACUTELY AWARE OF THAT
6 ON A DAY-TO-DAY BASIS.

7 BUT MY QUESTION IS ON THE FUNDING PROGRAMS
8 THAT WE'RE TALKING ABOUT HERE, AND WHEN YOU TALK
9 ABOUT CONCEPT APPROVED AND FUTURE FUNDING, THAT'S
10 320 PLUS THE 600 MILLION?

11 DR. OLSON: YES. AS YOU CAN SEE, ON THE
12 LEFT-HAND SIDE, THE CURRENT FUTURE FUNDING SCENARIO
13 IS 629 MILLION, AND THEN THE CONCEPT APPROVED IS
14 ANOTHER 300 MILLION. BUT THE CONCEPT APPROVED WE'VE
15 ALREADY PUT OUT RFA'S. THEY'RE IN THE PROCESS OF.
16 THESE ARE ONES THAT WE'RE ASKING YOU TO BUY INTO
17 THIS IS WHAT WE SHOULD DO GOING FORWARD.

18 MR. TORRES: SO WE COULD PULL BACK THOSE
19 RFA'S?

20 DR. OLSON: I DON'T THINK SO. IN MANY
21 CASES PEOPLE HAVE ALREADY -- MOST -- FOR CONCEPT
22 APPROVED THEY'RE ALREADY ACTIVE. PEOPLE ARE
23 APPLYING. THEY'RE SOMEWHERE IN THE REVIEW CYCLE.

24 MR. TORRES: SO OUR ONLY OPTION IS EITHER
25 TO APPROVE OR DISAPPROVE?

BARRISTERS' REPORTING SERVICE

1 DR. OLSON: YES. YOUR DECISION POINT
2 THERE IS FUND OR NOT ONCE THE AWARDS COME IN FRONT
3 OF YOU.

4 MR. TORRES: SO WHY DO YOU THINK BASIC
5 BIOLOGY IS STILL IMPORTANT AT THIS LATE DAY OF THE
6 AGENCY'S LIFE?

7 DR. OLSON: OKAY. I ACTUALLY HAVE A SLIDE
8 ABOUT THIS --

9 MR. TORRES: IF YOU WANT TO WAIT, THAT'S
10 FINE.

11 DR. OLSON: -- WHEN WE COME ON TO THE MORE
12 DETAILED SECTION, BUT I THINK I WOULD LIKE TO MAKE
13 THE POINT NOW. YOU KNOW, WE TALK ABOUT THE HUMAN
14 EMBRYONIC STEM CELLS. THE STEM CELL FIELD, I THINK,
15 IS LESS THAN PROBABLY 20 TO 30 YEARS OLD. JOHN DICK
16 ORIGINALLY. BUT FINDING A MOUSE EMBRYONIC STEM
17 CELL, GAIL MARTIN DID THAT, I THINK, IN THE '80S.
18 THEY ISOLATED HUMAN EMBRYONIC STEM CELLS IN THE
19 '90S. YOU LOOK AT CANCER RESEARCH, OKAY. CANCER
20 RESEARCH IS DOING BASIC RESEARCH EVEN NOW, AND THAT
21 THING HAS BEEN GETTING TONS OF MONEY FOREVER.

22 WHAT WE KNOW -- WE KNOW WHAT WE KNOW.
23 IT'S WHAT WE DON'T KNOW THAT IS ACTUALLY QUITE A
24 LARGE THING. AND I THINK THAT IS FROM WHENCE ALL
25 THE DISCOVERY FLOWS. YOU HEAR EVEN THE SAB SAYING

BARRISTERS' REPORTING SERVICE

1 THAT IT'S REALLY IMPORTANT, THEY THINK, FOR PROJECTS
2 THAT GO INTO DEVELOPMENT TO UNDERSTAND MECHANISM AND
3 WHAT'S GOING ON. YOU FIND OUT THROUGH BASIC AND, I
4 WOULD ALSO ARGUE, THROUGH EARLY TRANSLATIONAL
5 RESEARCH. BECAUSE WHAT HAPPENS IS A LOT OF TIMES
6 THINGS GO INTO DEVELOPMENT. THEY GO IN BECAUSE
7 THEY'RE SAFE. THEY GO IN BECAUSE MAYBE THEY HAVE A
8 LITTLE BIT OF HYPOTHESIS TESTING. BUT SO MANY
9 THINGS FAIL.

10 AND SO I GUESS IT IS MY BELIEF, AND THIS
11 IS A PERSONAL OPINION ON MY PART, IT'S REALLY
12 HELPFUL TO HAVE AS FIRM OF A FOOTING IN TERMS OF THE
13 MECHANISM AND IN TERMS OF HOW YOU'RE EXPECTING
14 SOMETHING TO WORK. AND THAT'S BASIC RESEARCH. AND
15 I GUESS I THINK THAT BASIC RESEARCH IS WHENCE YOUR
16 DISCOVERIES COME FROM, YOUR PATENTS COME FROM. AND
17 I THINK IT'S ALWAYS IMPORTANT TO CONTINUE IT. PLUS
18 IT IS CHEAP COMPARED TO DEVELOPMENT. YOU CAN FUND A
19 BASIC RESEARCH PROJECT FOR -- I DID THE CALCULATION
20 FOR THE 83 AWARDS THAT WE'VE MADE IN BASIC BIOLOGY I
21 THROUGH IV AND THE \$150 MILLION WE'VE SPENT. THAT
22 AVERAGES OUT TO ABOUT 1.4 MILLION PER AWARD.

23 AND SO YOU BUILD KNOWLEDGE. ALL OF THESE
24 THINGS, I THINK, ARE BUILT ON A KNOWLEDGE BASE. SO
25 THAT'S A VERY LONG-WINDED ANSWER TO YOUR QUESTION.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: MR. SHEEHY HAS A
2 QUESTION.

3 MR. SHEEHY: BUT I THINK FOR ME THE REAL
4 QUESTION IS WHY A ROUND A YEAR?

5 DR. OLSON: I'M SORRY. WHAT DID YOU SAY?
6 WHY WHAT?

7 MR. SHEEHY: WHY A ROUND A YEAR? THAT
8 JUST SEEMS A VERY ARBITRARY KIND OF -- I DON'T SEE
9 THE RATIONALE FOR THAT, AND IT SEEMS LIKE WE ARE
10 GETTING DIMINISHING RETURNS. WE GET A LOT OF
11 APPLICATIONS, BUT HAVE WE FUNDED IN THE LAST TWO
12 ROUNDS ANYWHERE NEAR THE ENTIRE ALLOCATION? WE
13 HAVEN'T.

14 DR. OLSON: I WOULD POINT ONE THING OUT.

15 MR. SHEEHY: COULD I FINISH, PLEASE?

16 DR. OLSON: YOU'RE LOOKING AT SOMETHING
17 THAT'S A BIT OF AN ARTIFACT OF OUR REVIEW IS THAT WE
18 CAN ONLY -- OUR REVIEWERS CAN ONLY REVIEW SO MANY
19 APPLICATIONS. WE HAD OVER 300 PREAPPS FOR THAT
20 BASIC BIOLOGY ROUND. WE TOOK ONLY 60 FORWARD INTO
21 REVIEW. ONE MIGHT SAY THAT IT WAS SOMEWHAT -- YOU
22 KNOW, THE SCORES WERE VERY CLOSE FOR THOSE TOP 60
23 AND FOR THOSE BELOW THEM. I SUSPECT THERE WERE A
24 LOT OF MERITORIOUS PROJECTS THERE. IF ANYTHING --
25 WELL, SO THAT'S MY POINT ABOUT THAT.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: AGAIN, I JUST THINK MY POINT
2 IS IT WOULD BE HELPFUL TO HAVE REALLY CLEAR
3 RATIONALES FOR WHY WE DECIDE TO DO ONE EVERY YEAR,
4 WHY WE COULDN'T DO ONE EVERY TWO YEARS. I JUST
5 THINK ALL OF US ARE STARTING TO GET CONCERNED ABOUT
6 THE BURN RATE. WE'RE JUST FLYING THROUGH THIS
7 MONEY. AND WE'RE ONLY -- WE'RE COMING UNDER BUDGET
8 AT ALMOST EVERY REVIEW WE DO. THE REVIEWERS ARE NOT
9 APPROVING UP TO THE LIMITS THAT WE'VE ESTABLISHED.

10 SO THAT TENDS TO SAY TO ME THAT MAYBE WE
11 DON'T NEED TO HAVE THESE RFA'S GO OUT ON AN ANNUAL
12 BASIS.

13 BUT THE OTHER THING IS IT'S NOT REALLY
14 CLEAR TO ME, I TOTALLY AGREE WITH YOU, THAT BASIC
15 RESEARCH SUPPORTS CLINICAL RESEARCH, THE LINKAGES
16 BETWEEN OUR CLINICAL PROGRAMS AND THE TYPES OF RFA'S
17 WE DO, AND THAT WOULD BE HELPFUL. IT'S JUST BASIC
18 RESEARCH. WE DON'T HAVE THE TYPE OF GRANULARITY
19 THAT LINKS BACK EITHER TO THE CANCER STEM CELL
20 PROGRAMS NECESSARILY OR SOME OF THE OTHER THINGS
21 THAT WE HAVE IN LATE CLINIC. I CAN THINK OF ONE OR
22 TWO EXAMPLES OFF THE TOP OF MY HEAD THAT WERE
23 DIRECTLY RELATED TO LATE STAGE PROGRAMS. AND,
24 AGAIN, IT COMES TO FOCUS, IT COMES TO TRYING TO GET
25 SOMETHING INTO A PATIENT TO FULFILL OUR MANDATE TO

BARRISTERS' REPORTING SERVICE

1 THE PATIENTS OF CALIFORNIA.

2 I MEAN A LOT OF THIS IS JUST PURE
3 DISCOVERY RESEARCH WHICH I UNDERSTAND THE VALUE OF,
4 BUT THAT IS A STRATEGIC KIND OF DECISION WE HAVE TO
5 MAKE AT SOME POINT. IS THAT NIH OR IS THAT US?

6 DR. OLSON: OKAY. ALL OF THOSE ARE TRUE
7 STATEMENTS. AGAIN, YOU GET A LOT OF, I'D SAY,
8 RESEARCH FOR THE COST THERE. AND YOU CAN ARGUE
9 ABOUT HOW VALUABLE IT IS AT THIS POINT IN TIME.

10 CHAIRMAN THOMAS: WE'VE GOT DR. PRIETO AND
11 THEN MR. JUELSGAARD.

12 DR. PRIETO: I GUESS I UNDERSTAND THE
13 ARGUMENTS THAT YOU ARE MAKING ABOUT THESE ROUNDS AND
14 THE IMPORTANCE OF BASIC RESEARCH, AND I CERTAINLY
15 SUPPORT BASIC RESEARCH. BUT I JUST WONDER IF
16 FUNDING AT THE SAME LEVEL AND ACCORDING TO THE SAME
17 SCHEDULE, GIVEN OUR UNIQUE SITUATION, FITS WITH THE
18 IDEA OF MAKING CLINICAL PROOF OF CONCEPT A PRIORITY.
19 SHOULDN'T WE BE SHIFTING THE ALLOCATION OF OUR
20 FUNDS?

21 DR. OLSON: THE FUNDING LEVEL IS REDUCED
22 FROM WHAT THE BASIC AWARDS HAVE BEEN. I THINK
23 THEY'VE BEEN TYPICALLY MOST RECENTLY AT 35 OR 40
24 MILLION, SO AT LEAST AS FAR AS THE CONCEPT
25 ALLOCATION, SO THE FUNDING HAS BEEN REDUCED. AT

BARRISTERS' REPORTING SERVICE

1 THIS POINT YOU'RE RIGHT. I HAVE THEM ON THE SAME
2 SCHEDULE ANNUALLY AS WHAT WE'VE BEEN DOING. THAT'S
3 BASICALLY, I THINK, IN RECOGNITION OF THE LARGE
4 NUMBER OF BASIC STEM CELL BIOLOGISTS IN THE STATE OF
5 CALIFORNIA.

6 DR. JUELSGAARD: SO, PAT, I'D JUST LIKE TO
7 TAKE A STEP BACK FOR A MOMENT JUST TO TRY AND FRAME
8 THIS AT LEAST FROM MY POINT OF VIEW. SO IT SEEMS TO
9 ME THAT WHAT THIS DISCUSSION NEEDS TO BE ABOUT ARE
10 TWO THINGS, ABOUT THE PRIORITIZATION OF THE USE OF
11 THE REST OF THE MONEY WE HAVE WRIT LARGE. SO
12 WHATEVER THAT AMOUNT OF MONEY IS, WHICH I'M NOT
13 QUITE ENTIRELY SURE INCLUDES ALLOCATED, BUT TO THE
14 EXTENT AS WELL AS UNALLOCATED FUNDS, COMMITTED FUNDS
15 UNSPENT. WE CAN TALK ABOUT AMOUNT OF MONEY AND GET
16 TO AN ALL-IN AMOUNT. REALLY PRIORITIZING THAT
17 AMOUNT, SPENDING THAT AMOUNT OF MONEY, AND THAT
18 RELATES ESSENTIALLY TO WHAT IT IS WE WANT TO
19 ACCOMPLISH IN THE TIME THAT WE HAVE LEFT. AND SO
20 THAT IN MY MIND REQUIRES THE ESTABLISHMENT OF
21 OBJECTIVES IN A TIERED FASHION.

22 SO WHAT'S THE MOST IMPORTANT OBJECTIVE AND
23 THEN THE MOST IMPORTANT, ETC., ETC., AND JUST
24 WORKING OUR WAY DOWN AND SAYING, WITH THAT IN MIND,
25 HERE ARE THE AMOUNTS OF MONEY WE THINK WE SHOULD SET

BARRISTERS' REPORTING SERVICE

1 ASIDE TO ACHIEVE THOSE OBJECTIVES.

2 SECOND IS THE TIME FRAME. AND SO I'VE
3 BEEN THINKING ABOUT THIS. SO WE'VE BEEN TALKING FOR
4 THE LONGEST TIME AS IF WE HAVE THREE TO FOUR YEARS
5 WORTH OF MONEY TO SPEND, RIGHT. I ASKED MYSELF,
6 WELL, WHY IS THAT TRUE? WHO MADE THAT DECISION THAT
7 IT'S THREE TO FOUR YEARS? THAT LENGTH OF TIME IS
8 DRIVEN BY HOW QUICKLY WE SPEND OUR MONEY, NOT BY
9 ANYTHING ELSE. SO IF WE SPEND OUR MONEY MORE
10 SLOWLY, WE COULD GO FOR SIX YEARS OR EIGHT YEARS OR
11 WHATEVER THE NUMBER IS THAT YOU WANT TO PICK. IT'S
12 ALL A MATTER OF BURN RATE.

13 NOW, I UNDERSTAND THAT THERE ARE SOME
14 THINGS THAT AS, FOR EXAMPLE, ADMINISTRATIVE BURDEN
15 THAT HAVE BEEN CALCULATED; BUT JUST TO BE A LITTLE
16 BIT BLUNT ABOUT THAT, AGAIN, THERE'S NOTHING SACRED
17 ABOUT SCOPE OF ADMINISTRATIVE BURDEN HAVING TO COME
18 FROM THE COMPANY WORLD. I'M VERY FAMILIAR WITH THE
19 NOTION OF HAVING TO DEAL WITH DECREASING COST OF
20 ADMINISTRATIVE BURDEN IN ORDER TO MEET OTHER VERY
21 IMPORTANT OBJECTIVES. SO THERE ARE A LOT OF
22 VARIABLES THAT ARE AT PLAY. I THINK ALL OF THOSE
23 OUGHT TO AT SOME POINT, FROM MY POINT OF VIEW, BE ON
24 THE TABLE FOR DISCUSSION.

25 SO I JUST WOULD LAY THIS OUT THERE. IF

BARRISTERS' REPORTING SERVICE

1 OUR PRIMARY GOAL IS TO GET AT LEAST ONE PROJECT TO
2 PHASE II PROOF OF CONCEPT, THAT IS, SHOWING THAT IT
3 REALLY HAS THE CHANCE OF BEING A REAL PRODUCT
4 SOMEDAY, AND IT'S GOING TO TAKE US EIGHT YEARS, JUST
5 HYPOTHETICALLY, TO BE ASSURED THAT WE GET ONE
6 PRODUCT TO THAT POINT, THEN MAYBE WE OUGHT TO THINK
7 ABOUT LET'S HAVE EIGHT YEARS OF FUNDING THAT ALLOWS
8 US TO GET TO THAT POINT. I'M NOT SAYING THAT'S THE
9 OUTCOME OR THE OBJECTIVE, BUT I THINK IT'S WORTH A
10 DISCUSSION.

11 SO BACK TO WHAT I SAID. I THINK THIS BIG
12 DISCUSSION THAT WE'RE GOING TO HAVE THROUGH THE
13 COURSE OF THE DAY TODAY FOR ME IS ABOUT TWO THINGS.
14 IT'S PRIORITIZING THE USE OF THE MONEY THAT WE HAVE
15 STARTING WITH THE HIGHEST AND BEST USE AND WORKING
16 OUR WAY DOWN, AND THEN IT'S ABOUT THE TIMING OF THAT
17 SPEND ON TOP OF IT. AND I THINK -- SO AS WE GO
18 THROUGH THIS, AND I KNOW WE'RE GOING TO COME TO
19 POINTS THAT SAID, OKAY, LET'S ALL AGREE THAT WE'RE
20 GOING TO JUST ALLOCATE THIS AMOUNT OF MONEY TO DO
21 THIS, I THINK THAT'S ACTUALLY PUTTING THINGS
22 BACKWARDS. I THINK WE HAVE THE DISCUSSION ABOUT THE
23 VARIOUS ELEMENTS ALL THROUGH THE DAY TODAY. AND
24 THEN AT THE END OF THE DAY, WE SAY, OKAY. WAIT A
25 MINUTE. NOW THAT WE'VE DISCUSSED EVERYTHING, NOW

BARRISTERS' REPORTING SERVICE

1 LET'S FIGURE OUT WHAT MONIES WE PUT TO EACH ONE OF
2 THOSE. MY SUGGESTION.

3 CHAIRMAN THOMAS: I'D JUST COMMENT THAT IS
4 HOW WE'RE GOING TO PROCEED, AND I REFERENCE THINGS A
5 LITTLE DIFFERENTLY. THAT'S PRECISELY WHAT WE HAVE
6 IN MIND.

7 DR. DULIEGE: ONE THING I WASN'T CLEAR,
8 AND YOU MAY HAVE MENTIONED IT BEFORE. YOU MENTIONED
9 THAT THE BASIC RESEARCH BUDGET HAS ALREADY BEEN
10 REDUCED. CAN YOU JUST CLARIFY THIS BECAUSE AT LEAST
11 WHEN WE LOOK AT THE FUTURE SCENARIO, THERE'S NO
12 CHANGE, BUT WHAT HAPPENS BETWEEN NOW AND FUTURE?

13 DR. OLSON: IT'S AN AVERAGE OF THE \$30
14 MILLION AWARD POT AS OPPOSED TO A LARGER ONE.
15 THAT'S WHAT I MEANT BY THAT. THE AMOUNT AVAILABLE
16 FOR ANY GIVEN ROUND IS LESS.

17 MR. JUELSGAARD, I APPRECIATE WHAT YOU'RE
18 SAYING. I GUESS, YOU KNOW, A COUPLE OF POINTS TO
19 KEEP IN MIND, AND I'M SURE THIS WILL COME UP WHEN
20 ELLEN TALKS AS WELL, AND I THINK I'VE TRIED TO
21 ALLUDE TO THEM IS OUR CURRENT DEVELOPMENT PORTFOLIO
22 FROM WHICH WE'LL DERIVE PRIORITIZED PROJECTS ARE, IN
23 FACT, MOST OF THEM ARE FUNDED FOR THE NEXT THREE TO
24 FOUR YEARS. SOME OF THEM HAVE THE POSSIBILITY, AND
25 ALAN WILL GO MORE INTO THIS, OF GIVING US A PROOF OF

BARRISTERS' REPORTING SERVICE

1 ACTIVITY WITHIN THAT TIME FRAME.

2 SO I ACTUALLY APPRECIATE THAT THE TIMING
3 ISSUE IS A GOOD ONE. WE HAVE BEEN LOOKING, AS YOU
4 NOTE, AT THE OPERATION COST BECAUSE THAT IS A
5 VARIABLE HERE AND THAT IS WHY WE TALK ABOUT THREE TO
6 FOUR YEARS. I BELIEVE THERE'S ACTUALLY QUITE
7 SEVERE -- WHAT SHALL I SAY? THAT ENSURING THAT THE
8 OPERATIONS CAN CONTINUE EVEN TO 2021 REQUIRES SOME
9 FAIRLY DRACONIAN MEASURES. BUT I DO APPRECIATE WHAT
10 YOU'RE SAYING ABOUT THAT.

11 AND SO I THINK THAT OF THE ROUGHLY 21
12 PROJECTS THAT WE CURRENTLY HAVE IN DEVELOPMENT
13 CURRENTLY, AND I JUST INDICATED THAT THE MAJORITY OF
14 THEM ARE FUNDED FOR THE NEXT THREE TO FOUR YEARS,
15 BUT THIS IS NOT TO SAY THAT IT WOULD BE BETTER
16 BECAUSE SOME WILL REQUIRE ADDITIONAL FUNDING IN
17 ORDER TO ACHIEVE THAT CLINICAL PROOF OF CONCEPT, BUT
18 I THINK WE HAVE ENOUGH MONEY FOR THAT.

19 DR. JUELSGAARD: SO, PAT, BASED ON MY
20 EXPERIENCE OVER A NUMBER OF YEARS, I THINK THE
21 BIGGEST DANGER THAT GROUPS FACE, AND MY EXPERIENCE,
22 AGAIN, COMES FROM THE COMPANY WORLD, IS
23 UNDERESTIMATING TWO THINGS. UNDERESTIMATING THE
24 COST IT TAKES TO GET TO A POINT THAT YOU WANT TO GET
25 TO AND THE TIME. UNDERESTIMATING BOTH THE TIME AND

BARRISTERS' REPORTING SERVICE

1 THE COST THAT IT TAKES TO GET TO THAT POINT TAKES
2 LONGER AND COSTS MORE. AND SO IT'S ALWAYS, FROM MY
3 POINT OF VIEW, WISE TO BUILD IN SOME SORT OF CUSHION
4 BASED ON THAT CONTINGENCY.

5 IN FACT, ONE OF THE THINGS THAT I'VE
6 THOUGHT ABOUT IN TERMS OF WHAT WE'RE DOING HERE WAS
7 POTENTIALLY TO SET ASIDE A RESERVE FUND AS MANY
8 GOVERNMENTAL ORGANIZATIONS DO HAVE SOMETHING SET
9 ASIDE FOR THE THINGS THAT YOU JUST CAN'T FORESEE AND
10 WHERE YOU DECIDE YOU REALLY NEED THE MONEY AND IT'S
11 SITTING IN A MORE SACRED SPOT THAT IT CAN BE USED.
12 ANYWAY, WE'LL HAVE A LOT MORE DISCUSSION AS THE DAY
13 GOES ON.

14 DR. OLSON: LET ME JUST GO ON A LITTLE BIT
15 FROM THAT. I WOULD NOTE THAT THE RESERVE FUNDING IS
16 THERE ESSENTIALLY FOR THE PRIORITY PROJECTS AND 200
17 MILLION FOR DEVELOPMENT. THAT'S SORT OF FOLLOW-ON
18 FUNDING FOR THINGS THAT CAN COME UP WITH THOSE
19 PRIORITY PROJECTS.

20 I JUST WANT TO SAY THAT, AS WE ARE TALKING
21 ABOUT FOCUS AND SUCH, THAT WE DID MAKE THE DECISION
22 THAT IT DIDN'T MAKE SENSE TO CONTINUE AN EARLY
23 TRANSLATION PROGRAM AS CURRENTLY CONFIGURED. WHAT
24 WE'D LIKE TO BE ABLE TO DO IS MOVE SOME OF THOSE
25 PROGRAMS FORWARD INTO DEVELOPMENT. WHAT WE MIGHT BE

BARRISTERS' REPORTING SERVICE

1 ABLE TO DO IS FUND SOME OF THE VERY PROMISING DCF
2 PROGRAMS THROUGH A TRANSITION TO GET TO THAT EARLY
3 STAGE DEVELOPMENT. SO YOU CAN SEE THAT THAT NUMBER
4 HAS DROPPED CONSIDERABLY.

5 AS FAR AS THE DEVELOPMENT, WE HAVE
6 INCREASED THE FUNDING THERE, AGAIN, PRIMARILY FROM
7 SHIFTING MONEY FROM EARLY TRANSLATION. SO FROM 360
8 MILLION TO 460 MILLION. AND ESSENTIALLY THERE ARE
9 TWO POTS OF MONEY THERE. THERE'S THE 200 MILLION
10 WHAT MR. JUELSGAARD'S CALLING A RESERVE POT, WHAT
11 I'M CALLING A POT FOR THE PRIORITY PROJECTS, TO
12 PROVIDE ADDITIONAL FUNDING FOR THOSE PRIORITY
13 PROJECTS. AND AS I ALREADY INDICATED, MOST OF OUR
14 DEVELOPMENT PORTFOLIO IS CURRENTLY FUNDED FOR THREE
15 TO FOUR YEARS. BUT SHOULD WE NEED MORE FUNDING TO
16 GET TO THE CLINICAL PROOF OF CONCEPT, TO DEAL WITH
17 THINGS THAT COME UP, THERE IS A RATHER -- THERE'S
18 \$200 MILLION THERE FOR THAT.

19 IT ALSO PROVIDES MONEY FOR EITHER MOVING
20 THE SO-CALLED -- THE PROJECTS THAT AREN'T SUBJECT TO
21 ACCELERATION. THERE ARE A LOT OF DEVELOPMENT
22 PROJECTS, NOT ALL OF THEM WILL BE IN THIS
23 ACCELERATED OR PRIORITY POT, AND FOR MOVING SOME OF
24 THE PROMISING AND MERITORIOUS ET PROJECTS FORWARD.
25 SO THAT'S THE \$261 MILLION THERE.

BARRISTERS' REPORTING SERVICE

1 SO THAT AT LEAST -- NOW, IF, HOWEVER, YOU
2 LOOK AT THE TOTALS ON THAT SLIDE, YOU WILL NOTICE
3 THAT THE FUTURE FUNDING POT CURRENTLY AVAILABLE OF
4 629 MILLION HAS INCREASED BY ROUGHLY 48 MILLION. SO
5 IF WE WERE TO DO ALL THE THINGS THAT WERE IN THE
6 PROPOSED SCENARIO, AND IN THAT, AS I'VE ADDRESSED,
7 AND I RECOGNIZE YOU MAY WANT TO CHANGE THAT, THERE
8 IS THE POTENTIAL OF 48 MILLION ADDITIONAL THAT WOULD
9 BE REQUIRED.

10 AND I JUST WANT TO REMIND YOU OF A COUPLE
11 OF THINGS, AND THAT'S SHOWN IN THE NEXT SLIDE.

12 CHAIRMAN THOMAS: PAT, CAN I INTERRUPT YOU
13 FOR ONE SECOND BEFORE YOU GO TO THE NEXT SLIDE?
14 WITH RESPECT TO THE 200 MILLION, WILL YOU OR MAYBE
15 ELLEN BREAK DOWN HOW YOU ARRIVE AT THAT, WHAT THE
16 UNDERLYING ASSUMPTIONS ARE ON THE COST PER PHASE,
17 ETC., SO WE CAN HAVE A DISCUSSION ON THAT?

18 DR. FEIGAL: YES, I CAN DO THAT DURING MY
19 TALK.

20 CHAIRMAN THOMAS: THANK YOU.

21 DR. OLSON: SO HOW WOULD ONE ADDRESS THAT?
22 AND I DO WANT TO REMIND YOU THAT THERE ARE -- I MEAN
23 I'VE SHOWN YOU THAT THERE CAN BE POTENTIAL SAVINGS
24 FROM CURRENT CONCEPT APPROVED BUT NOT YET AWARDED
25 RFA'S. SO BASED ON THE PREVIOUS DATA, 7 TO 10

BARRISTERS' REPORTING SERVICE

1 PERCENT OF CONCEPT APPROVED FUNDS, THAT IS, 23 TO 32
2 MILLION OUT OF THE CURRENT POT OF 321 MILLION, WILL
3 NOT BE AWARDED OR WILL BE REDUCED DURING PREFUNDING
4 ADMINISTRATIVE REVIEW. THAT'S JUST BASED ON THE
5 DATA. OKAY.

6 WE ALSO KNOW THAT NOT ALL AWARDS ARE
7 ACCEPTED. I DON'T KNOW THAT YOU CAN COUNT ON THAT.
8 BUT I AM SAYING THAT ON THE 250 MILLION THAT IS
9 COMING UP FOR FUNDING DECISIONS BY THIS BOARD WITHIN
10 THE NEXT SEVEN MONTHS, BY JULY OF NEXT YEAR, THERE'S
11 LIKELY TO BE AT LEAST 25 MILLION IN SAVINGS ON THAT.

12 OBVIOUSLY THE OTHER OPTION IS TO ELIMINATE
13 OR REDUCE SOME PROGRAMS IN THE PROPOSED FUNDING
14 PLAN, AND OBVIOUSLY ANOTHER OPTION IS REALLOCATE
15 EVERYTHING. BUT I GUESS I'M GIVING YOU -- WHAT I'VE
16 TRIED TO DEVELOP FOR YOU IS A PLAN THAT ESSENTIALLY
17 RECOGNIZES THE RECOMMENDATIONS OF THE SCIENTIFIC
18 ADVISORY BOARD AS AGREED TO OR AS MODIFIED BY
19 MANAGEMENT. SO THAT'S WHAT THIS PLAN IS BASED ON AS
20 WELL AS ON THE STRATEGIC PLAN AND THE KEY STRATEGIC
21 OBJECTIVES.

22 CHAIRMAN THOMAS: PAT, WHICH OF THESE
23 ITEMS IN THIS SLIDE INCLUDES ASSUMPTIONS ON, I
24 WOULDN'T CALL IT SAVINGS, BUT MONEY THAT WILL GO
25 BACK IN THE POT SHOULD ALREADY-IN-PROGRESS PROJECTS

BARRISTERS' REPORTING SERVICE

1 BE TERMINATED?

2 DR. OLSON: I HAVEN'T INCLUDED THAT HERE.
3 SO THAT'S ANOTHER 3 TO 4 PERCENT, THAT IF
4 PROJECTS -- I WAS LOOKING AT NEAR TERM WHERE THE
5 BOARD COULD SEE WITHIN THE NEXT SEVEN MONTHS WHAT
6 KIND OF ADDITIONAL FUNDS MIGHT BECOME AVAILABLE FOR
7 SO-CALLED FUTURE FUNDING PROGRAMS. AND SO I HAVEN'T
8 INCLUDED A TERMINATED COMPONENT BECAUSE THOSE HAPPEN
9 ALL ALONG, RIGHT. THEY MAY OR MAY NOT HAPPEN IN THE
10 NEXT. BUT IN A SLIDE BACK ON CONCEPT APPROVED, I
11 SAID FROM 7 TO 15 PERCENT. I'M ONLY ACCOUNTING FOR
12 ROUGHLY, WELL, 10 PERCENT. SO THERE'S ANOTHER 5
13 PERCENT OR SO DUE TO EITHER TERMINATED OR NOT
14 ACCEPTED. OKAY.

15 SO I THINK WHAT I'M TRYING TO TELL YOU IS
16 I THINK IT IS REASONABLE TO EXPECT ANOTHER 25
17 MILLION WITHIN THE NEXT SEVEN MONTHS OR SO BECOMING
18 AVAILABLE BASED ON HISTORICAL DATA FROM CIRM.

19 OKAY. SO --

20 DR. PRIETO: I'M NOT SURE IF THIS IS THE
21 TIME WE WILL WANT TO DISCUSS THIS, BUT I'M WONDERING
22 ABOUT OPPORTUNITIES THAT WE'VE LOOKED AT OR SHOULD
23 BE LOOKING AT TO LEVERAGE OTHER FUNDING SOURCES TO
24 EXTEND SOME OF OUR PROGRAMS.

25 DR. OLSON: OBVIOUSLY THAT'S A PART OF

BARRISTERS' REPORTING SERVICE

1 WHAT ALAN IS GOING TO TALK ABOUT BECAUSE EVEN WITH
2 THE \$261 MILLION THAT IS PRESUMABLY NOT FOR THE
3 PRIORITIZED PROGRAMS SUBJECT TO ACCELERATION, THERE
4 ARE OTHER DEVELOPMENT PROGRAMS, THERE ARE EARLY
5 TRANSLATION PROGRAMS. WE CAN DO SOME OF THOSE, BUT
6 WE WILL NEED TO LEVERAGE -- WE WILL DEFINITELY NEED
7 TO LEVERAGE IF WE WERE TO TAKE ALL OF THE MOST
8 MERITORIOUS OF THOSE FORWARD.

9 DR. PRIETO: ARE WE TRYING TO IDENTIFY
10 SPECIFIC SOURCES FOR THOSE?

11 DR. OLSON: I BELIEVE THAT WE'LL GO INTO
12 THAT IN THE CONTEXT OF THE PUBLIC/PRIVATE
13 PARTNERSHIP, AT LEAST A MODEL FOR ACHIEVING THAT.
14 SO WE CAN MOVE -- IT DEPENDS ON HOW YOU LOOK AT IT.
15 WE CAN MOVE ROUGHLY 15 TO 18 \$15-MILLION PROJECTS
16 FORWARD WITH THAT \$261 MILLION, AND THAT ASSUMES
17 ROUGHLY A \$15-MILLION FUNDING POT, SO THAT'S LIKE AN
18 IND-ENABLING. WE CAN MOVE FEWER, OBVIOUSLY MORE
19 LIKE 12 OR SO, IF IT'S A \$20-MILLION POT. SO WE CAN
20 DO A LOT OF THINGS. AGAIN, YOU NEED TO -- WE CAN
21 MAKE A DENT, BUT WE WILL NOT BE ABLE TO TAKE ALL OF
22 THOSE THROUGH TO CLINICAL PROOF OF CONCEPT WITH THAT
23 POT OF MONEY, EVEN PROBABLY ASSUMING ATTRITION.

24 DR. FRIEDMAN: SO I JUST WOULD LIKE TO
25 REITERATE STEVE'S POINT FROM JUST A MINUTE AGO.

BARRISTERS' REPORTING SERVICE

1 THIS IS A REALLY GOOD AND USEFUL DISCUSSION THAT
2 YOU'RE GIVING US ON THE TACTICS OF HOW WE WILL FIND
3 MONEY TO MOVE FROM ONE AREA INTO ANOTHER. AND I DO
4 THINK THAT'S REALLY VALUABLE. AND THANK YOU FOR
5 THAT.

6 I DON'T THINK, THOUGH, THAT'S REALLY WHAT
7 WE SHOULD BE SPENDING TIME ON RIGHT AT THIS MOMENT
8 AND SUGGEST THAT IDENTIFYING -- RECOGNIZING THAT WE
9 CAN'T DO EVERYTHING. AND THE SECOND POINT IS
10 RECOGNIZING THAT EVERYTHING THAT'S BEING PROPOSED IS
11 REALLY GOOD AND DEFENSIBLE, SO THERE'S NOT A BAD
12 IDEA, BASIC TRAINING, SHARED, WHATEVER YOU WANT TO
13 TALK ABOUT, THOSE ARE ALL VALUABLE THINGS, BUT WE
14 CAN'T DO THEM ALL. AND THEN IT'S THE RESPONSIBILITY
15 OF THIS BOARD TO PRIORITIZE AND SAY, OKAY, SO WHAT
16 DO WE WANT TO INVEST IN? AND ONCE WE DECIDE THAT,
17 THEN WE SAY, OKAY, NOW WHERE DOES THE MONEY COME
18 FROM? IT COMES FROM SOME REALLOCATIONS, IT COMES
19 FROM STOPPING CERTAIN THINGS, AND SO FORTH.

20 BUT I'M NOT SURE THAT I'VE HEARD WHAT IT
21 IS -- WE'VE HEARD A COUPLE PEOPLE TALK ABOUT THE
22 COMMITMENT TO MEETING OUR PROPOSITION 71
23 EXPECTATIONS OF HAVING SOMETHING TESTED IN THE
24 CLINIC AND SHOWING UTILITY, BUT HOW MUCH DO WE WANT
25 TO INVEST IN THAT AND HOW? SO, AGAIN, I DON'T WANT

BARRISTERS' REPORTING SERVICE

1 TO GET LOST IN THE TACTICS OF HOW WE WILL DO THIS.
2 YOU ARE ENORMOUSLY SKILLFUL. I KNOW WE CAN MAKE
3 THIS HAPPEN.

4 I'D LIKE TO KNOW FROM THE BOARD WHAT IT IS
5 THAT THEY THINK WE SHOULD BE INVESTING IN. THANKS.
6 THAT WAS UNCOMFORTABLE.

7 CHAIRMAN THOMAS: I THINK WE'LL BE GETTING
8 INTO THAT VERY TOPIC.

9 DR. OLSON: THAT'S THE POINT. THIS IS
10 JUST TO SAY THAT, BASED ON THE SAB RECOMMENDATIONS,
11 HERE IS ONE PROPOSAL. YOU CAN GET YOUR EIGHT
12 PROJECTS FROM WHICH YOU WILL GET, BASED ON THE
13 NUMBERS, YOU MIGHT GET TWO CLINICAL PROOF OF
14 CONCEPTS.

15 DR. FRIEDMAN: I APPRECIATE THAT. ALL I'M
16 SAYING IS WE NEED TO DECIDE WHETHER WE WANT TO
17 INCORPORATE ALL THE SAB PROPOSALS, SOME OF THEM,
18 MODIFY OTHERS. I AGREE IT'S A REALLY GOOD
19 IMPLEMENTATION PLAN. AGAIN, I THANK YOU FOR IT.
20 I'M NOT MINIMIZING THAT AT ALL. I THINK WE'RE
21 STARTING AT THE BACK END AND WE SHOULD START AT THE
22 FRONT END.

23 DR. TROUNSON: MICHAEL, IN MANY RESPECTS
24 YOU'RE RIGHT. THAT'S THE WAY JON REALLY WANTED TO
25 RUN IT SO YOU'VE GOT SOME IDEA OF THE MONEY. YOU'RE

BARRISTERS' REPORTING SERVICE

1 RIGHT BECAUSE THIS IS REALLY AN INFORMATION DOWNLOAD
2 FOR YOU GUYS. IT'S REALLY ABOUT YOU MAKING THE
3 DECISION.

4 SO WE WANTED TO SORT OF GIVE YOU SOME IDEA
5 OF WHERE THE MONEY IS AND HOW, NOT MAKING A
6 RECOMMENDATION TO YOU.

7 DR. FRIEDMAN: I DO APPRECIATE IT.

8 DR. TROUNSON: I THINK YOU'LL HEAR ALL OF
9 THESE ARGUMENTS PROGRESS THROUGH DURING THE DAY. I
10 THOUGHT IT SHOULD BE AT THE END, BUT NEVER MIND. IT
11 DOESN'T MATTER, START OR BEGINNING. YOU NEEDED THE
12 INFORMATION SOMEWHERE BECAUSE YOU'VE GOT TO DECIDE
13 IT'S IMPORTANT AND MAYBE NOT GO TO SLEEP DURING THE
14 REST OF THE THING BECAUSE IT IS IMPORTANT.

15 CHAIRMAN THOMAS: WE HAVE ANNE-MARIE, THEN
16 DR. STEWARD.

17 DR. DULIEGE: BRIEFLY ACTUALLY. IF THE
18 KEY DISCUSSIONS ARE ABOUT HOW TO FUND THE POTENTIAL
19 SIX TO EIGHT CRITICAL PROJECTS AND, IN FACT,
20 DECIDING BETWEEN CURRENT AND PROPOSED ON ONE OF YOUR
21 LAST SLIDES HERE WITH MAYBE SOME ADJUSTMENTS, THE
22 QUESTION IS SHOULD WE HAVE THIS DISCUSSION NOW OR,
23 J.T., DO YOU PREFER TO HAVE IT AT ANOTHER POINT?

24 CHAIRMAN THOMAS: LET'S HOLD ON. IT WILL
25 BE PART AND PARCEL OF DR. FEIGAL'S PRESENTATION.

BARRISTERS' REPORTING SERVICE

1 DR. DULIEGE: SO WE'LL HAVE IT AT ANOTHER
2 TIME?

3 CHAIRMAN THOMAS: YES. IS THIS RESPONDING
4 TO SOMEBODY ELSE?

5 DR. FEIGAL: NO. MY ONLY POINT IS WE HAD
6 THIS DISCUSSION INTERNALLY. DO WE LAY OUT THE
7 LANDSCAPE FIRST, OR DO WE HAVE THE DISCUSSION ABOUT
8 THE CONTENT OF THE PROGRAMS AND DO IT AT THE END?
9 THERE'S NO RIGHT ANSWER. SO THE DECISION WAS MADE
10 TO LAY OUT WHAT THE FUNDING STRATEGIES MIGHT BE THAT
11 COULD ACCOMMODATE THESE ISSUES.

12 SO I ACTUALLY THINK YOU NEED TO HEAR THE
13 WHOLE CONVERSATION BEFORE YOU CAN REALLY MAKE AN
14 INFORMED DECISION, BUT THAT'S JUST A PERSPECTIVE I
15 WANTED TO SHARE.

16 CHAIRMAN THOMAS: THAT IS, IN FACT, WHAT
17 WE PLAN ON DOING, DEVIATING FROM WHAT WE HAVE ON THE
18 MATERIAL HERE.

19 DR. STEWARD: I WAS JUST GOING TO SAY I
20 APPRECIATE WHAT MICHAEL SAID, AND I THINK IT WOULD
21 JUST HELP SO THAT WE KNEW WHEN IT WAS THAT WE WERE
22 GOING TO HAVE DISCUSSIONS ON THE VARIOUS THEMES.
23 THESE ARE REALLY, I WOULD SAY, THE CORE ELEMENTS OF
24 WHAT WE'RE NEEDING TO DO AS A BOARD GOING FORWARD.
25 AND WE JUST NEED TO BE ABLE TO REALLY SPEND THE TIME

BARRISTERS' REPORTING SERVICE

1 TO GIVE IT A LOT OF THOUGHT AND DISCUSSION. JUST SO
2 WE KNOW WHEN THAT IT IS, AND THEN WE WON'T KIND OF
3 DISTRACT OURSELVES AS WE GET THE DATA DUMP.

4 CHAIRMAN THOMAS: YOU WILL KNOW WHEN IT
5 IS. THANK YOU. SO OKAY. BY THE WAY, THE REASON I
6 FELT IT WAS IMPORTANT TO HAVE THIS, ALL OF THIS
7 DATA, PUTTING ASIDE THE MODEL SUGGESTION AT THE END
8 OF IT REALLY FRAMES THE WHOLE DISCUSSION. SO IN MY
9 OPINION, YOU WANT TO HAVE THIS AT THE OUTSET SO THAT
10 YOU HAVE CONTEXT FOR EVERYTHING THAT FOLLOWS.

11 SO ANY OTHER QUESTIONS?

12 DR. OLSON: SO THAT'S JUST THE POINT I
13 WANTED TO MAKE. I WANTED YOU TO SEE WHAT THE MONEY
14 WE HAD OR MIGHT ACCRUE, WHAT YOU MIGHT BE ABLE TO
15 DO. THIS IS ONE SCENARIO. OBVIOUSLY WHAT THE BOARD
16 IS GOING TO DO FOR THE REST OF THE DAY IS DECIDE
17 WHAT'S THE EMPHASIS. BUT IT'S NOT POSSIBLE FOR ME
18 TO DEVELOP A MODEL ON THE FLY WHILE YOU ARE TALKING.
19 SO THIS IS A GOOD PLACE TO START, AND I HOPE IT
20 GIVES YOU A SENSE OF WHAT MIGHT BE POSSIBLE. THANK
21 YOU.

22 CHAIRMAN THOMAS: THANK YOU, DR. OLSON.
23 WE HAVE HAD SOME -- JUST A COMMENT, MR. SENATOR?

24 MR. TORRES: SO IF WE LOOK AT THE ISSUES
25 THAT ARE BEFORE US IN TERMS OF THE FUNDING, AND I

BARRISTERS' REPORTING SERVICE

1 WANT TO ASSOCIATE MY REMARKS WITH OTHERS WHO HAVE
2 SPOKEN AS WELL, SO THEN WE'RE AT A POINT WHERE WE
3 MAY HAVE APPROVALS IN JULY FOR THE ALPHA CLINICS,
4 MAY, JANUARY FOR GENOMICS, ETC. SO IT'S CONCEIVABLE
5 IF WE WERE TO MAKE A DECISION OF A PRIORITIZATION,
6 THAT WE COULD PULL BACK THOSE RFA'S AND NOT WASTE
7 THE TIME OF STAFF AND GRANT REVIEW COMMITTEES, ETC.,
8 IF WE DECIDED THAT THAT'S THE WAY WE WANTED TO
9 PROCEED.

10 SO THOSE RFA'S DON'T HAVE TO GO FORWARD.
11 WE COULD STOP THEM IN MIDCOURSE, IF THERE IS A
12 MIDCOURSE, SO THAT WE DON'T WASTE MORE FUNDS IF, IN
13 FACT, THE BOARD DECIDES THAT THIS IS NOT THE
14 DIRECTION THAT WE WANT TO GO. IS THAT A FAIR
15 STATEMENT? ALL RIGHT.

16 CHAIRMAN THOMAS: OKAY. WE HAVE BEEN
17 EXPERIENCING SOME TECHNICAL DIFFICULTIES FOR THOSE
18 ON THE AUDIO PORTION. I'M INFORMED THAT THERE'S A
19 PIECE OF EQUIPMENT THAT NEEDS TO BE INSTALLED HERE
20 THAT'S GOING TO TAKE ABOUT TEN MINUTES. SO LET'S
21 TAKE A TEN-MINUTE BREAK. THOSE ON THE PHONE, YOU
22 ARE GOING TO NEED TO HANG UP AND CALL BACK IN TEN
23 MINUTES. SORRY FOR THE INCONVENIENCE.

24 WHEN WE COME BACK HERE, WE'RE GOING TO BE
25 STARTING WITH DR. FEIGAL, JUST SO YOU ARE READY, AND

BARRISTERS' REPORTING SERVICE

1 PROCEED FROM THERE. SO TEN-MINUTE BREAK. THANK
2 YOU.

3 (A RECESS WAS TAKEN.)

4 CHAIRMAN THOMAS: OKAY. WE'RE GOING TO
5 RESUME NOW. PRESUMABLY ALL TECHNICAL DIFFICULTIES
6 HAVE BEEN TAKEN CARE OF. THANK YOU FOR YOUR
7 PATIENCE.

8 SO YOU HAD PREVIOUSLY RECEIVED IN YOUR
9 MATERIALS A SEQUENCE OF DISCUSSION TOPICS FOR THIS
10 WORKSHOP. WE'VE HAD FURTHER DISCUSSION ON THE
11 SEQUENCE, AND WE'VE DECIDED THAT IT MAKES A LOT MORE
12 SENSE, RATHER THAN MAKING SOME PRELIMINARY DECISIONS
13 BEFORE HAVING THE OVERARCHING DISCUSSION ON ALL
14 MATTERS AND THE BIG-TICKET QUESTIONS, WE, INSTEAD,
15 ARE GOING TO GO FROM THE TOP DOWN, START WITH THE
16 BIGGEST OF THE QUESTIONS WHICH DEALS WITH THE
17 PRIORITIZATION ISSUES, AND DISCUSS ALL DIFFERENT
18 MATTERS AS THEY TRICKLE DOWN THAT STEM FROM THAT
19 DISCUSSION. SO THAT BY THE END OF THE DAY, WE WILL
20 HAVE GONE FROM TOP TO BOTTOM, LARGE TO SMALL, BEEN
21 ABLE TO MAKE DECISIONS.

22 WE WILL HAVE A NUMBER OF DECISION POINTS
23 THROUGHOUT THE COURSE OF THE DAY BASED ON THE TOPIC
24 THAT WE'RE DISCUSSING, AND WE'LL POINT THOSE OUT AND
25 MAKE DECISIONS ACCORDINGLY.

BARRISTERS' REPORTING SERVICE

1 COUPLE OF COMMENTS. ONE IS WANT TO REMIND
2 EVERYBODY, AS HAS BEEN SAID IN VARYING WAYS THUS
3 FAR, THIS IS A ZERO-SUM GAME. SO WE HAVE A FINITE
4 AMOUNT OF RESOURCES. WE HAVE A NUMBER OF
5 SUGGESTIONS AND THINGS TO DEVOTE THEM TO; BUT AT THE
6 END OF THE DAY, IT'S ALL GOT TO ADD UP TO THE AMOUNT
7 WE HAVE. SO PUTTING SOMETHING TO ONE THING WILL
8 HAVE DIRECT RAMIFICATIONS ON PUTTING SOMETHING TO
9 SOMETHING ELSE. SO PLEASE KEEP THAT IN MIND.

10 FROM A LOGISTICAL STANDPOINT, YOU WILL
11 NOTICE, WITH RESPECT TO THE ITEMS TO BE DISCUSSED,
12 WE HAVE A TIME FRAME. AND WE'RE GOING TO STICK TO
13 THAT AS MUCH AS WE POSSIBLY CAN BECAUSE IF WE DON'T,
14 THIS CAN GET AWAY FROM US VERY EASILY, AND WE'LL BE
15 HAVING THE FIRST POSTMIDNIGHT SESSION OF CIRM IN ITS
16 HISTORY, WHICH IS NOT THE WAY THIS IS GOING TO WORK.
17 SO WE MAY END UP RATHER ABRUPTLY GETTING TO THE END
18 OF CERTAIN SEGMENTS, BUT PLEASE BEAR WITH ME BECAUSE
19 WE'RE TRYING TO KEEP TO A SCHEDULE.

20 SO WITH THAT, LET ME TURN IT OVER TO DR.
21 FEIGAL FOR THE DISCUSSION ABOUT PRIORITIZATION AND
22 THE VARIOUS ISSUES THAT COME ALONG WITH THAT. AND
23 PLEASE FEEL FREE, AS ALWAYS, TO ASK QUESTIONS DURING
24 THE COURSE OF THE PRESENTATION. DR. FEIGAL.

25 DR. FEIGAL: THANK YOU VERY MUCH. AND THE

BARRISTERS' REPORTING SERVICE

1 FIRST THING I'D LIKE TO DO IS JUST SET FORWARD SOME
2 OF THE PRINCIPLES FOR THE CONTEXT IN WHICH WE'RE
3 HAVING THIS DISCUSSION. PART OF THE PRINCIPLES ARE
4 THAT WE'RE NOT TALKING ABOUT PROGRAMS IN ISOLATION,
5 THAT THEY'RE INTERDEPENDENT WITH OTHER TYPES OF
6 SCIENCE, OTHER TYPES OF RESEARCH THAT ARE GOING ON.
7 SO BY NO MEANS DID WE EVER MEAN TO IMPLY THAT
8 DEVELOPMENT AND CLINICAL TRIALS COULD BE DONE IN
9 ISOLATION OF EVOLVING SCIENCE, THAT IT'S NOT
10 UNIDIRECTIONAL FROM THE LAB TO THE CLINIC, THAT
11 THERE ARE MANY THINGS THAT WE LEARN IN THE CLINIC
12 THAT ARE ITERATIVE, THAT NEED TO BE FURTHER REFINED.
13 WE BY NO MEANS FULLY UNDERSTAND THE SCIENCE, AND WE
14 VERY MUCH DO SUPPORT CONTINUED BASIC SCIENCE AS
15 BEING ONE OF THE PROGRAMS THAT WE DO CONTINUE TO
16 SUPPORT WITHIN THIS ENTERPRISE CALLED CIRM.

17 ALSO, I JUST WANTED TO MAKE OUT THERE WAS
18 A COMMENT REGARDING THE TIMING OF WHETHER WE DO THIS
19 IN THREE TO FOUR YEARS, WHETHER WE DO THIS IN SEVEN
20 OR EIGHT YEARS. MAKING TIMING CHANGES HAS
21 RAMIFICATIONS FOR OUR OVERHEAD AND FOR THE STAFF
22 THAT WORK HERE. AND SO THOSE THINGS, ALL THESE
23 TYPES OF DECISIONS, ARE HIGHLY INTERDEPENDENT. SO I
24 DID WANT TO MAKE IT CLEAR THAT WE'RE NOT TALKING
25 ABOUT THESE PROGRAMS IN ISOLATION, THAT WE ARE

BARRISTERS' REPORTING SERVICE

1 PRESENTING THESE RECOMMENDATIONS BECAUSE WE HAVE
2 CAREFULLY THOUGHT THROUGH WHAT THE INTERDEPENDENCIES
3 MIGHT BE WITH TRAINING, WITH BASIC SCIENCE, WITH
4 TRANSLATION, AND WITH CLINICAL DEVELOPMENT. AND
5 IT'S WITH THAT CONTEXT THAT WE'RE PRESENTING THESE
6 PROGRAMS TO YOU TODAY.

7 BY PRAGMATISM, WE HAVE TO PRESENT THESE
8 PROGRAMS IN ISOLATION. BUT WHEN WE WERE THINKING
9 ABOUT THE RECOMMENDATIONS, WE WERE THINKING ABOUT
10 THEM AS HAVING INTERDEPENDENCIES. SO WITH THAT, LET
11 ME GO AHEAD AND GET STARTED WITH THIS PRESENTATION
12 THAT IS PRIMARILY FOCUSED ON OUR DEVELOPMENT
13 PROGRAMS.

14 AND I DO WANT TO THANK THE SCIENCE
15 SUBCOMMITTEE BECAUSE THERE ARE TWO KEY POINTS THAT I
16 THINK I GLEAN FROM THE CONVERSATION WE HAD WITH THE
17 SCIENCE SUBCOMMITTEE A COUPLE OF WEEKS AGO. ONE IS
18 TO REALLY CLARIFY WHAT DO WE MEAN BY PRIORITIZATION.
19 AND FIRST OF ALL, LET ME SAY IT DOESN'T MEAN THAT
20 THOSE THINGS THAT ARE FUNDED FALL OFF THE CLIFF OR
21 THAT THEY'RE SOMEHOW NOT IMPORTANT. AND I HOPE TO
22 MAKE THAT VERY CLEAR DURING THIS PRESENTATION.

23 AND, SECOND, TO REALLY EMPHASIZE WHAT WE
24 MEAN BY AN ACCELERATED PATHWAY. SO I HOPE TO HAVE
25 INCORPORATED THOSE TWO, I THINK, VERY CONSTRUCTIVE

BARRISTERS' REPORTING SERVICE

1 COMMENTS THAT I GLEANED FROM OUR EARLIER DISCUSSION
2 WITH THE SUBCOMMITTEE AND INCORPORATED IT IN THIS
3 PRESENTATION TODAY.

4 WHAT IS IT? WHAT IS PRIORITIZATION IN THE
5 CONTEXT OF THE SCIENTIFIC ADVISORY BOARD
6 RECOMMENDATIONS REGARDING IDENTIFYING THOSE SIX TO
7 EIGHT DEVELOPMENT PROJECTS? THE PRIORITIZATION WE
8 SEE IS THAT WE NEED TO IDENTIFY THE SIX TO EIGHT
9 DEVELOPMENT PROJECTS FROM AMONG THOSE CURRENTLY
10 FUNDED DISEASE TEAMS OR STRATEGIC PARTNERSHIPS, ALL
11 OF WHOM BY DEFINITION HAVE TO HAVE SOME LEVERAGED
12 FUNDING, WHILE STILL ALLOWING A POROUS WINDOW OF
13 OPPORTUNITY FOR NEW, MATURE PROJECTS TO
14 COMPETITIVELY ENTER.

15 SO WE HAVE A DENOMINATOR OF PROJECTS THAT
16 WE KNOW ABOUT RIGHT NOW THAT WE'VE BEEN ACTIVELY
17 MANAGING, IT'S BEEN VETTED, BUT WE'RE STILL GOING TO
18 ALLOW A POROUS WINDOW FOR NEW OPPORTUNITIES TO COME
19 INTO THIS PROCESS.

20 BUT ALL OF THE PROJECTS THAT WE'RE GOING
21 TO BE IDENTIFYING, ALL, WILL HAVE THE POTENTIAL,
22 SOME MIGHT CALL IT ASPIRATION, BUT THEY HAVE THE
23 POTENTIAL TO REACH CLINICAL PROOF OF CONCEPT IN OR
24 BY 2017. AND WE CHOSE THAT DATE, WHICH IS THREE TO
25 FOUR YEARS FROM NOW INSTEAD OF EIGHT YEARS FROM NOW,

BARRISTERS' REPORTING SERVICE

1 BECAUSE THAT'S WHAT WE SAID WE WERE GOING TO DO IN
2 OUR 2012 STRATEGIC PLAN. AND SO WE'RE TRYING, AS
3 MUCH AS POSSIBLE, TO SEE IF WE CAN KEEP TO WHAT WE
4 SAID WE WERE GOING TO DO.

5 IT MAY VERY WELL BE THAT SCIENCE DOESN'T
6 AGREE WITH US OR THAT THE DATA DOESN'T BEHAVE IN THE
7 WAY WE'D LIKE IT, AND IT NEEDS TO BE DELAYED, IT
8 NEEDS TO BE LONGER, AND IT NEEDS TO BE MORE
9 EXPENSIVE. BUT AT THE OUTSET, WE WANT TO SEE CAN WE
10 REACH THE GOAL WE SAID WE WERE GOING TO REACH IN OR
11 BY 2017. THIS IS CONSISTENT WITH THE CIRM STRATEGIC
12 PLAN THAT WE ALL AGREED TO BACK IN MAY OF 2012 AND
13 THAT ALL OF YOU HAD INPUT INTO SHAPING THAT
14 STRATEGIC PLAN. AND THOSE PROJECTS WILL BE ABLE TO
15 HAVE THEIR MOVEMENT FACILITATED THROUGH WHAT WE CALL
16 A NEW PATHWAY CALLED THE ACCELERATED PATHWAY.

17 DR. JUELSGAARD: SO, ELLEN, AS OF TODAY,
18 WHICH IS THE END OF 2013, MOVING UP ON BEGINNING OF
19 2014, HOW MANY OF THESE PROJECTS HAVE ENTERED AT
20 LEAST PHASE I CLINICAL TRIALS OF ALL OF OUR
21 PROJECTS?

22 DR. FEIGAL: TWO.

23 DR. JUELSGAARD: TWO. SO THERE'S SOME
24 DATA THAT GOES BACK TO 2005, THE PUBLICATION BY TWO
25 HEALTHCARE ECONOMISTS, ONE FROM TUFTS AND ONE FROM

BARRISTERS' REPORTING SERVICE

1 DUKE, WHO LOOKED AT TIMES AND COSTS AND THE
2 PROBABILITY OF SUCCESS OF DOING CLINICAL TRIALS ON
3 LARGE NUMBERS OF PROJECTS BOTH IN THE BIOTECH SECTOR
4 AND IN THE PHARMACEUTICAL SECTOR. AND THESE ARE
5 AVERAGE NUMBERS. THESE ARE FOR COMPANIES THAT DO
6 THIS FOR A LIVING WITH WELL-WORN DEVELOPMENT
7 PATHWAYS. AND THE AVERAGE TIME PERIOD FOR A PHASE I
8 CLINICAL TRIAL IS 19 AND A HALF MONTHS. THE AVERAGE
9 TIME PERIOD FOR A PHASE II CLINICAL TRIAL TO REACH
10 THE END, WHICH IS THE PROOF OF CONCEPT STAGE, IS
11 ABOUT 29 AND A HALF MONTHS, OR AGGREGATING THOSE
12 TWO, PHASE I THROUGH PHASE II IS ROUGHLY FOUR YEARS,
13 48 MONTHS.

14 SO IF WE HAD THESE PROJECTS, WE HAVE TWO
15 NOW IN PHASE I, WE'D HAVE TO HAVE SIX -- IF WE WERE
16 GOING TO DO EIGHT, WE'D HAVE TO HAVE SIX READY TO GO
17 INTO PHASE I ROUGHLY NOW IN ORDER, BY THE END OF
18 2017, USING AVERAGE NUMBERS, TO GET TO PROOF OF
19 CONCEPT. THIS IS ALL ABOUT CHALLENGING THE
20 ASSUMPTION THAT 2017 IS THE APPROPRIATE NUMBER,
21 WHICH, I THINK, IS A DISCUSSION THAT WE OUGHT TO
22 HAVE. THE FACT THAT WE DISCUSSED THIS IN THE
23 STRATEGIC PLAN IS OF SOME INTEREST TO ME, BUT THE
24 STRATEGIC PLAN, THERE'S NO NEED, NO REASON TO STICK
25 TO A STRATEGIC PLAN IF WE THINK IT CAN BE CHANGED

BARRISTERS' REPORTING SERVICE

1 FOR THE BETTER SOMEWHERE ALONG THE WAY, AND MOST
2 ORGANIZATIONS DO THAT.

3 DR. FEIGAL: ABSOLUTELY AGREE.

4 DR. JUELSGAARD: LET ME MAKE ONE OTHER
5 COMMENT, WHICH IS, AS I SAID, THE SAME WORK THAT WAS
6 DONE, AGAIN LOOKING AT PHARMACEUTICAL AND BIOTECH
7 COMPANY AVERAGES, LOOKED AT SUCCESS RATES. AND SO
8 THE SUCCESS RATES OF PROJECTS THAT ENTER PHASE I AND
9 MAKING IT OUT OF PHASE II IS IN THE NEIGHBORHOOD OF
10 ABOUT 75 PERCENT. SO ON THE SAFETY SIDE OF THINGS,
11 ROUGHLY THREE OUT OF FOUR MAKE IT THROUGH. BUT WHEN
12 YOU GET TO THE PROOF OF CONCEPT, THE EFFICACY, SO
13 TAKING NOW THAT 75 PERCENT, THOSE THREE OUT OF FOUR,
14 AND SUBJECTING THEM TO PHASE II, THE RESULT IS THAT
15 ABOUT 50 PERCENT OF THE OVERALL PROJECTS, SO TWO OUT
16 OF THE FOUR THAT STARTED, HAVE MADE IT SUCCESSFULLY
17 THROUGH PHASE II.

18 SO, AGAIN, GOING BACK TO AVERAGES, IF WE
19 START WITH EIGHT OF THESE PROJECTS AT THE BEGINNING
20 OF 2014, AT THE END OF 2017 ON AVERAGE WE WOULD SEE
21 FOUR WITH SUCCESSFUL PROOF OF CONCEPT. AND, AGAIN,
22 I RELATE THIS TO PROJECTS IN AN INDUSTRY THAT'S
23 DOING THIS FOR A LONG, LONG TIME THAT KIND OF KNOW
24 THE WELL-WORN PATHS OF WHAT TO DO, AND THEY HAVE
25 SOME SIGNIFICANT PROBLEMS WITH BOTH TIMING AND WITH

BARRISTERS' REPORTING SERVICE

1 SUCCESS RATES. SO I JUST WANT TO MAKE THOSE
2 OBSERVATIONS AS WE GET INTO THE HEART OF THIS
3 BECAUSE THERE ARE JUST SOME THINGS THAT ARE WELL
4 TESTED OVER TIME AS TO WHAT SORT OF REALLY GOES ON
5 IN CLINICAL DEVELOPMENT.

6 DR. FEIGAL: I JUST WANT TO MAKE A COMMENT
7 THAT THE STRATEGIC PLAN, WE DID LOOK AT THE NUMBERS.
8 WE ACTUALLY HAVE SIX THAT WILL BE FILING IND'S NEXT
9 YEAR, READY TO GO INTO CLINICAL TRIALS. SO WE
10 DIDN'T PICK THE NUMBERS OUT OF THE AIR. WE ACTUALLY
11 WERE LOOKING AT DATA WITHIN OUR OWN PIPELINE OF WHAT
12 WE MIGHT BE ABLE TO DO. THIS IS, OF COURSE, TOTALLY
13 LOOKING AT IF EVERYTHING PROGRESSES AND THERE'S NO
14 BUMPS IN THE ROAD. AND WE KNOW THERE'S ALWAYS BUMPS
15 IN THE ROAD.

16 BUT I'M JUST SAYING THESE WEREN'T NUMBERS
17 PULLED OUT OF THE AIR. THEY ACTUALLY WERE BASED ON
18 SOME NUMBERS THAT WE HAVE INSIDE.

19 I WOULD ALSO SAY WHEN I FIRST CAME HERE
20 AND SOMEBODY TOLD ME WE JUST STARTED IN 2010 TO EVEN
21 FUND THESE PROJECTS, I DON'T THINK ANYBODY IN A
22 MILLION YEARS WOULD HAVE THOUGHT THREE YEARS LATER
23 WE'D HAVE THE SUCCESS RATE WE'RE SEEING NOW IN TERMS
24 OF GETTING THROUGH IND, THE MILESTONE MEETINGS WITH
25 THE FDA ON AN INNOVATIVE TECHNOLOGY, AND GETTING

BARRISTERS' REPORTING SERVICE

1 THEM THROUGH IND FILING. SO I VERY MUCH APPRECIATE
2 WHAT'S BEEN DONE IN THE PAST, AND WE CERTAINLY
3 SHOULD TAKE THAT INTO ACCOUNT, BUT I DON'T THINK IT
4 COMPLETELY PREDICTS THE FUTURE. AND THERE MAY BE,
5 IF WE PICK THESE PROJECTS CORRECTLY BY THE DISEASE
6 TYPES AND WHETHER THERE MIGHT BE AN EARLY BIOMARKER
7 AS OPPOSED TO A CLINICAL END POINT, WE MIGHT BE ABLE
8 TO SEE SOME EARLY EVIDENCE.

9 BUT I COMPLETELY TAKE YOUR POINTS INTO
10 CONSIDERATION. AND SO ANYWAY, WE'LL INCORPORATE
11 THAT AS PART OF THE DISCUSSION AS WE GO FORWARD.

12 CHAIRMAN THOMAS: ELLEN, JUST ON THAT
13 POINT, MR. JUELSGAARD'S STATS OBVIOUSLY FOCUS ON
14 DRUGS OR BIOLOGICS OR WHATEVER THAT HAVE BEEN AROUND
15 FOR QUITE SOME TIME. WE'RE IN UNCHARTED TERRITORY
16 TO A LARGE EXTENT, AND THIS MAY NOT BE A QUESTION
17 THAT'S REALLY ANSWERABLE, BUT IS THERE ANY
18 CONVENTIONAL WISDOM THAT YOU CAN SHARE WITH THE
19 BOARD AS TO BEING IN THE CELLULAR THERAPY SPACE?
20 THE NUMBERS, MR. JUELSGAARD, WOULD YOU SAY WOULD BE
21 HIGH, LOW, ANY SORT OF THOUGHTS ON THAT?

22 DR. FEIGAL: THEY ARE WHAT THEY ARE. I
23 THINK WITH THE STEM CELL THERAPY SPACE, IT'S
24 UNCHARTED TERRITORY. SO WE HAVE INFORMATION ON THE
25 COST. WE KNOW THAT THERE'S REGULATORY UNCERTAINTY,

BARRISTERS' REPORTING SERVICE

1 SCIENTIFIC UNCERTAINTY, TECHNICAL UNCERTAINTY. SO
2 THAT'S WHY INVESTING WISELY WITH OUR CHOICES, WHICH,
3 OF COURSE, IS WHAT WE'VE BEEN TRYING TO DO THE WHOLE
4 TIME, BUT SOME OF IT IS NOT JUST THE TECHNOLOGY.
5 IT'S THE DISEASES INTO WHICH THEY'RE GOING, WHETHER
6 THEY HAVE QUANTIFIABLE, BIOLOGICALLY MODIFIABLE END
7 POINTS THAT WE CAN REALLY MEASURE. I THINK IT'S A
8 COMBINATION OF NOT JUST THE TECHNOLOGY, BUT WHAT
9 DISEASE OR THERAPEUTIC AREA WE CHOOSE TO GO INTO
10 WITH THIS INNOVATIVE TECHNOLOGY THAT ALSO CAN IMPACT
11 ON THE TIMING. SO I THINK ALL THOSE THINGS ARE
12 IMPORTANT.

13 CHAIRMAN THOMAS: MR. SHEEHY.

14 MR. SHEEHY: I GUESS -- SO WE HAVE SIX
15 THAT ARE ANTICIPATING FILING IND NEXT YEAR. WE HAVE
16 TWO WITH AN IND. IF THAT'S OUR CRITERIA, WE JUST
17 PRIORITIZED. I MEAN AREN'T WE SPENDING A LOT OF
18 TIME ON THE BACK END, TALKING ABOUT A PROCESS THAT
19 REALLY HAS BEEN DONE BY THE FDA FOR US?

20 DR. FEIGAL: NO, THERE'S MORE THAN THOSE.

21 MR. SHEEHY: I MEAN ISN'T THAT KIND OF OUR
22 DENOMINATOR RIGHT THERE? I MEAN WHY WOULD WE
23 PRIORITIZE A PROGRAM THAT HASN'T GOTTEN AN IND? SO
24 IF THAT'S OUR CRITERION, WE'VE ALREADY GOT THE EIGHT
25 PROGRAMS WE NEED TO PRIORITIZE, AND THE REAL

BARRISTERS' REPORTING SERVICE

1 DISCUSSION IS -- THE REAL DISCUSSION IS WHAT WE MEAN
2 BY ACCELERATED PATHWAY AND WHAT THAT PROGRAM MEANS,
3 AND THEN HOW THAT INTERACTS WITH THE ALPHA CLINICS,
4 WHICH SEEMS TO BE WE'RE GOING TO SUPPORT THAT, OR BE
5 SOMETHING COMPLETELY IRRELEVANT TO THOSE EIGHT
6 PROJECTS FROM MY PERSPECTIVE. THAT SEEMS TO BE WHAT
7 THE REAL DISCUSSION SHOULD BE.

8 AND THEN, AS I THINK STEVE HAS -- AS I'VE
9 HEARD FROM STEVE, WHAT IS THE REAL COST FOR MOVING
10 THOSE PROGRAMS FROM PHASE I THROUGH PHASE II AND
11 WHAT THAT MONEY LOOKS LIKE AND HOW WE PROVIDE THAT
12 MONEY. BUT OTHERWISE, I MEAN WE'RE GOING TO TALK
13 ABOUT A WHOLE PROCESS FOR PRIORITIZING. WELL, IF
14 YOU DON'T HAVE AN IND, WHY WOULD YOU BE PRIORITIZED?
15 YOU'RE NOT EVEN GOING TO BE IN PHASE I.

16 I DO LIKE THE NOTION OF MAKING IT
17 POSSIBLE. SOME PEOPLE ARE GOING TO FAIL AND FALL
18 OFF, AND SOME PEOPLE ARE GOING TO COME IN AND
19 THEY'RE GOING TO GET AN IND, SO WE SHOULD HAVE THIS
20 PROCESS. BUT I GUESS I'M JUST REALLY CONFUSED.
21 WE'RE USING A LOT OF LANGUAGE THAT JUST KIND OF
22 CAPTURES WHAT IS ALREADY TRUE TO TALK ABOUT
23 PROCESSES. I JUST FIND IT VERY CONFUSING. WE ONLY
24 HAVE EIGHT PROGRAMS THAT SEEM CAPABLE OF BEING
25 PRIORITIZED, SO TO SPEAK. IT'S VERY CONFUSING.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: LET ME JUST MAKE ONE
2 COMMENT AND ELLEN. YOU COULD ENVISION, MR. SHEEHY,
3 I SUPPOSE, THAT PROJECTS COULD BE SCHEDULED TO GO
4 INTO IND IN EARLY 2015 AND FOR WHATEVER REASON ARE
5 THOUGHT TO BE MORE PROMISING THAN OTHERS THAT MIGHT
6 BE PRECEDING. I DON'T KNOW. JUST BECAUSE THERE ARE
7 SIX IDENTIFIED FOR NEXT YEAR DOESN'T MEAN THERE
8 AREN'T SOME NEAR-TERM, VERY WORTHY PROJECTS THAT
9 WOULD WARRANT CONSIDERATION.

10 DR. FEIGAL: I THINK WHAT WE'RE TALKING
11 ABOUT IS NOT JUST IDENTIFYING THE -- RIGHT NOW, AS
12 YOU KNOW, WE HAVE 23 DIFFERENT PROGRAMS ALL ASPIRING
13 TO HAVE CLINICAL -- THESE ARE FOUR-YEAR AWARDS,
14 RIGHT? SO THEY'RE ALL ASPIRING TO COMPLETE A
15 CLINICAL TRIAL, SOME OF WHICH CAN SHOW CLINICAL
16 PROOF OF CONCEPT WITHIN WHAT IS THEIR FOUR-YEAR TIME
17 FRAME.

18 SO THE ISSUE IS, ONE, IDENTIFYING THOSE,
19 AND I'LL GO THROUGH THE CRITERIA OF WHAT WE'RE GOING
20 TO BE LOOKING AT. BUT THE SECOND IS TO CHANGE THE
21 PROCESS SO THAT ARE THERE THINGS WE CAN DO TO BE
22 MORE EFFICIENT, MORE EFFECTIVE TO ACTUALLY HELP
23 THESE INVESTIGATORS GET THROUGH THEIR MILESTONES
24 MORE RAPIDLY. AND I THINK THAT IS A VERY IMPORTANT
25 PART OF WHAT WE'RE GOING TO BE TALKING ABOUT TODAY.

BARRISTERS' REPORTING SERVICE

1 SO AS I SAID, 23 PROGRAMS, AND TWO OF THEM
2 ARE FROM THE STRATEGIC PARTNERSHIPS, 21 OF THEM ARE
3 DISEASE TEAMS. WE PROBABLY HAVE A TOTAL OF ANYWHERE
4 FROM 14 TO 16 THAT ASPIRE TO COMPLETE CLINICAL PROOF
5 OF CONCEPT WITHIN THEIR FOUR-YEAR TIME FRAME. SO WE
6 HAVE MORE THAN SIX TO EIGHT TO TALK ABOUT BECAUSE
7 OTHERWISE I AGREE THIS IS WHAT ARE WE TALKING ABOUT.
8 WE'VE ALREADY BASICALLY PRIORITIZED. I DON'T THINK
9 THAT'S CORRECT AT THIS POINT IN TIME, BUT THAT'S
10 CERTAINLY FOR THE BOARD TO DECIDE.

11 MAYBE WHAT WOULD BE GOOD IS TO CONTINUE.
12 I THINK I'M ONLY ON SLIDE 2 RIGHT NOW AND I HAVE A
13 FEW MORE TO GO THROUGH. AND THEN MAYBE IT MIGHT BE
14 PRODUCTIVE TO HAVE THAT KIND OF TALK AND THAT KIND
15 OF DISCUSSION.

16 SO LET ME CLARIFY WHAT WE'RE TALKING ABOUT
17 ABOUT AN ACCELERATED PATHWAY. SO THROUGH SOME SORT
18 OF PROCESS, WHICH I'LL GO THROUGH, WE'LL IDENTIFY
19 THESE SIX TO EIGHT PRIORITIZED PROJECTS. AND WHAT
20 THEY'RE GOING TO GET IS A CHANGE IN HOW CIRM STAFF
21 AND OUR EXTERNAL ADVISORS WORK WITH THEM. WHAT
22 WE'VE BEEN TOLD AGAIN AND AGAIN AND WHAT YOU ALL
23 KNOW IS THAT ACADEMIC INVESTIGATORS DEVELOPING A
24 PRODUCT IS NOT SOMETHING THAT HAS EVER BEEN IN THE
25 MIDDLE OF THEIR RADAR SCREEN. THEY'RE THERE TO DO

BARRISTERS' REPORTING SERVICE

1 RESEARCH. THEY'RE THERE TO WRITE PAPERS. THEY'RE
2 THERE TO GET GRANTS. AND DEVELOPING A PRODUCT IS
3 NOT SOMETHING THAT THEY'VE DONE BEFORE. AND WE
4 SPEND A LOT OF TIME INTERACTING WITH THESE TEAMS,
5 POPULATING IT WITH THE RIGHT EXPERTISE SO THAT THEY
6 CAN EFFECTIVELY AND EFFICIENTLY GO DOWN AN
7 IND-ENABLING PATHWAY AND INTO AND CONDUCT CLINICAL
8 TRIALS, AND MAKE SURE THAT WE'RE PROVIDING THEM WITH
9 THE EXPERTISE IN ADDITION TO THE MONEY TO HELP THEM
10 MOVE FORWARD.

11 AND IN ADDITION, WE'VE ALREADY PROVIDED
12 THEM WITH ACCESS TO EXTERNAL EXPERTISE FOR
13 MANUFACTURING, FOR PRECLINICAL ANIMAL MODELS, FOR
14 REGULATORY STRATEGY, FOR HOW TO THINK ABOUT CLINICAL
15 DEVELOPMENT, HOW TO THINK ABOUT WHAT IS A
16 DEVELOPMENT PATHWAY, WHAT DOES IT MEAN TO HAVE
17 COMMERCIAL RELEVANCE. AND WE'VE ACTUALLY BEEN
18 INCULCATING THAT WITHIN AN ENVIRONMENT THAT NORMALLY
19 DOESN'T THINK ABOUT THESE THINGS.

20 IT IS TRUE. WE ARE WORKING WITH SEVERAL
21 BIOTECH COMPANIES. WE DO HAVE INTERACTIONS WITH
22 SOME LARGE PHARMA, BUT MANY OF THE INVESTIGATORS
23 WE'RE WORKING WITH, THIS IS NEW FOR THEM. AND WHAT
24 THEY GREATLY BENEFIT FROM IS THE EXPERTISE IN
25 ADDITION TO THE MONEY. SO WHAT WE'RE SUGGESTING,

BARRISTERS' REPORTING SERVICE

1 JUST LIKE THE FDA HAS AN ACCELERATED PATHWAY FOR
2 MOVING PROMISING PROJECTS THROUGH IN A MORE
3 ACCELERATED FASHION, WE'RE PROPOSING HAVING MORE
4 FREQUENT AND EXTENSIVE DISCUSSIONS WITH THE CLINICAL
5 DEVELOPMENT ADVISORS AND WITH THE CIRM SCIENTIFIC
6 STAFF ON THEIR PRECLINICAL, THEIR MANUFACTURING,
7 THEIR REGULATORY, THEIR CLINICAL, AND THE COMMERCIAL
8 ASPECTS OF DEVELOPING A THERAPY.

9 WE KNOW THAT HAS MADE A DIFFERENCE IN THE
10 PROJECTS THAT WE CURRENTLY HAVE UNDER OUR
11 MANAGEMENT. IT TAKES ACTIVE MANAGEMENT TO GET THE
12 SUCCESS RATE THAT WE'RE SEEING. AND WE THINK ACTIVE
13 MANAGEMENT, SAY, ON STEROIDS IS REALLY GOING TO HELP
14 REALLY MAKE THESE TEAMS BE MUCH MORE EFFECTIVE AND
15 EFFICIENT.

16 THERE'S SOME THINGS YOU CAN'T SHORTCUT,
17 BUT THERE'S DEFINITELY THINGS WE CAN DO TO MAKE SURE
18 THEY'RE ON THE KEY CRITICAL PATH AND ARE TAKING AN
19 EFFICIENT PATH, A HIGH QUALITY PATH FORWARD.

20 IN ADDITION, THERE ARE THINGS THAT HAPPEN
21 DURING THE DEVELOPMENT OF A PRODUCT THAT THEY HADN'T
22 ANTICIPATED WITH THEIR INITIAL APPLICATION. AND SO
23 WE'VE ALREADY FUNDED WITH SUPPLEMENTS TWO OF OUR
24 GRANTEES WITH SUPPLEMENTS OF UP TO \$3 MILLION TO
25 ACTUALLY HELP THEM DO SOME OF THE WORK THEY SAID

BARRISTERS' REPORTING SERVICE

1 THEY WERE GOING TO DO IN THEIR ORIGINAL APPLICATION.
2 BUT YOU KNOW WHAT. IT WAS MORE EXPENSIVE. IT COSTS
3 MORE. SO WE'VE ACTUALLY SUPPLEMENTED THEM SO THAT
4 THEY CAN DO IT, BUT WE HAD TO GO THROUGH A RATHER
5 EXTENSIVE PROCESS IN ORDER TO MAKE THAT HAPPEN.

6 WE'RE SUGGESTING WHEN THOSE TYPES OF
7 ADDITIONAL TYPE OF WORK OR STUDIES NEED TO BE DONE,
8 WE HAVE A FASTER WAY TO ALLOW THEM TO BE ABLE TO DO
9 THAT. AND IN ADDITION, AS WE SAID, SOME OF THESE
10 MIGHT BE BECAUSE OF THE DISEASES THAT THEY'RE GOING
11 INTO HAVE A BIOMARKER THAT'S ALREADY AVAILABLE WHERE
12 WE CAN GET HINTS OF CLINICAL PROOF OF CONCEPT FROM
13 THEIR BIOCHEMICAL OR THEIR LABORATORY ASSAY. I
14 WON'T GO INTO THE DISEASES NOW BECAUSE I DON'T WANT
15 TO CONFLICT ANYBODY, BUT BASICALLY THERE MAY BE
16 CERTAIN THERAPEUTIC AREAS WHERE THERE MAY BE IDEAS
17 OF WHERE WE CAN FIND OUT ANSWERS EARLIER, BUT WHERE
18 APPROPRIATE AND WHERE NEEDED HAVE FOLLOW-ON PHASE II
19 TRIALS.

20 I AGREE TRYING TO GET THE FOLLOW-ON PHASE
21 II TRIALS WOULD NOT NECESSARILY BE SOMETHING THAT
22 COULD BE DONE BY 2017, BUT I GUESS FOR MANY OF US
23 HERE IN CIRM, WE'RE THINKING THERE IS GOING TO BE A
24 SUSTAINABLE PATHWAY TO BE ABLE TO MOVE THESE
25 PROMISING PROJECTS FORWARD, WHETHER IT'S FROM

BARRISTERS' REPORTING SERVICE

1 PUBLIC/PRIVATE PARTNERSHIPS OR SOME OTHER AVENUE.
2 SO WE'RE NOT JUST THINKING ABOUT TURNING OFF THE
3 LIGHTS AT A CERTAIN POINT IN TIME. WE'RE TRYING TO
4 THINK ABOUT WE'VE INVESTED AS AN AGENCY HEAVILY IN
5 THESE TRANSLATIONAL AND DEVELOPMENT PROGRAMS, AND
6 WE'RE GOING TO DO EVERYTHING POSSIBLE TO MAKE SURE
7 THAT THEY REACH THAT INFLECTION POINT THAT'S
8 IMPORTANT TO PATIENTS, THE PUBLIC, AND COULD
9 POSSIBLY BE A VERY IMPORTANT INFLECTION POINT FOR
10 INVESTORS TO PUT MONEY IN.

11 SO THAT'S THE CONTEXT IN WHICH WE'RE
12 THINKING ABOUT HOW TO MOVE THIS FORWARD.

13 THE PROJECTS THAT FALL IN THAT DENOMINATOR
14 OF CURRENTLY FUNDED PROGRAMS, THEY'RE ALREADY GWG,
15 GRANTS WORKING GROUP, RECOMMENDED, THEY'RE ALREADY
16 ICOC-FUNDED DISEASE TEAMS AND STRATEGIC
17 PARTNERSHIPS, AND THEY ALREADY HAVE AT LEAST CIRM
18 FUNDING FOR THOSE EARLY PHASE CLINICAL TRIALS.

19 WHAT WE'RE SEEKING HERE, OF COURSE, YOU
20 NEED TO DECIDE IF PRIORITIZATION IS EVEN NEEDED, BUT
21 IF YOU DO DECIDE THAT THAT'S AN IMPORTANT ASPECT TO
22 CONSIDER, WANTED TO GET YOUR DECISIONS AND INPUT ON
23 WHAT WE'RE GOING TO PROPOSE AS THE PROCESS AND FOR
24 THE CRITERIA FOR REVIEW.

25 CHAIRMAN THOMAS: MR. SHEEHY.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: I STILL COME BACK TO MY
2 POINT. YOU KNOW, THESE TWO QUESTIONS DON'T EVEN
3 SEEM RELEVANT. I THINK THE QUESTION THAT WAS -- WE
4 PRIORITIZED THEM WHEN WE DECIDED TO FUND THEM FOR A
5 CLINICAL TRIAL. AND SO WHAT YOU'RE TALKING ABOUT
6 ABOVE, WHICH I THINK IS AN OUTSTANDING IDEA, BY THE
7 WAY, IS REALLY TAKING AWAY BARRIERS TO GETTING THE
8 RESOURCES THEY NEED AND GIVING THEM THE SUPPORT THEY
9 NEED TO MOVE THROUGH THIS CLINICAL PATHWAY AS
10 RAPIDLY AS POSSIBLE, BUT I DON'T SEE THAT THERE
11 NEEDS TO BE ANOTHER DECISION POINT. ONCE WE'VE GONE
12 THROUGH THE GRANTS WORKING GROUP AND THEY'VE COME
13 HERE AND WE FUNDED IT FOR A CLINICAL TRIAL, WHY DO
14 WE NEED TO LOOK AT THEM AGAIN AND SAY ANYTHING ELSE?
15 WE'VE DECIDED WE'RE GOING TO FUND THEIR CLINICAL
16 TRIAL.

17 WELL, IT BEHOOVES US TO FUND THEM AS
18 EFFECTIVELY AND EFFICIENTLY AND EXPEDITIOUSLY AS
19 POSSIBLE. SO ALL OF THIS ABOUT ESTABLISHING A
20 PROCESS FOR PRIORITIZATION DOESN'T MAKE ANY SENSE TO
21 ME BECAUSE WE DECIDED TO INVEST IN A CLINICAL TRIAL.
22 YOU'RE IN FOR A DIME, GET IN FOR A DOLLAR. THIS IS
23 WHAT WE'RE SUPPOSED TO PRODUCE. THIS IS WHAT WE
24 PROMISED NINE YEARS AGO. SO I ALMOST WOULD CHOP
25 THAT ALL OFF AND JUST SAY ONCE THEY COME, THEY'VE

BARRISTERS' REPORTING SERVICE

1 BEEN REVIEWED, THEY BRING A PROJECT TO US, THEY SAY
2 THEY'RE GOING TO DO A CLINICAL TRIAL, THEY HAVE THE
3 CLINICAL TRIAL. I JUST DON'T KNOW WHY WE'RE SETTING
4 UP A PROCESS TO GO BACK AND LOOK AT OTHER PROJECTS
5 BECAUSE IT DOESN'T EVEN MAKE SENSE TO INVOLVE AN
6 ACCELERATED PATHWAY UNTIL WE KNOW THEY HAVE AN IND
7 IN HAND OR THEY'RE IN THE PROCESS OF GETTING IT IN A
8 VERY SHORT TIME FRAME.

9 DR. FEIGAL: THE REASON WHY IT'S STILL, I
10 THINK, IN QUESTION THAT'S WORTH ADDRESSING IS THAT
11 WE HAVE 23 DIFFERENT PROGRAMS. WE HAVE
12 OPPORTUNITIES FOR NEW PROGRAMS TO COME IN. EVEN
13 WHEN THE FDA RECEIVES IND FILINGS, THERE'S SOME SORT
14 OF TRIAGING OF WHETHER IT'S FAST TRACK, WHETHER IT'S
15 PROMISING, WHETHER IT'S A PRIORITY REVIEW. SO AT
16 THE END OF THE DAY, ALL OF THEM ARE SEEKING
17 APPROVAL, ALL OF THEM. BUT FOR A SUBSET IT MIGHT
18 MAKE SENSE, AND YOU MAY AGREE IT DOES OR IT DOES
19 NOT, WE IN MANAGEMENT THINK IT WOULD MAKE SENSE TO
20 HAVE SOME SORT OF A PROCESS AMONG THOSE 23 PROGRAMS
21 TO THINK ABOUT WHICH ONES MIGHT GET ADDITIONAL HELP
22 AND RESOURCES ON THE ACCELERATED PATHWAY.

23 I'M NOT SAYING THE ANSWER. I'M JUST
24 TELLING YOU WHY WE THOUGHT IT THROUGH THIS WAY.

25 MR. SHEEHY: BUT, AGAIN, I COME TO IT

BARRISTERS' REPORTING SERVICE

1 SEEMS LIKE YOU REALLY WANT TO PUT THE FIREPOWER
2 THERE WHEN THEY HAD THE IND IN HAND. THAT SEEMS TO
3 BE THE TIME TO PUSH. UNTIL THEY GET THE IND, IT'S
4 ALL KIND OF YOU'RE DOING A BUNCH OF PRECLINICAL
5 WORK. I THINK FOR THE DISEASE TEAM MECHANISM WE'VE
6 DONE A PRETTY GOOD JOB OF TRYING TO MOVE PEOPLE
7 THROUGH THAT SPACE. IT SEEMS TO BE WHY WE HAVE SO
8 MANY PROGRAMS GOING INTO CLINICAL TRIAL. BUT IT
9 ALMOST FEELS LIKE -- AND MOST OF THESE FOLKS, WHEN
10 THEY COME IN, LIKE WE'RE GOING TO HEAR FROM PEOPLE
11 TOMORROW WHO ARE COMING IN FOR ADDITIONAL MONEY THAT
12 WENT THROUGH THE FIRST ROUND OF DISEASE TEAMS TO
13 SPECIFICALLY START THEIR CLINICAL TRIAL.

14 SO AS FAR AS THE OTHER MEMBERS OF THE 23
15 PROJECTS, I THINK ONCE THEY GOT THEIR IND'S, THEY
16 WOULD BE ELIGIBLE FOR THIS ACCELERATED -- THEY WOULD
17 COME BACK TO GET VOTED ONTO THIS ACCELERATED
18 PATHWAY. THE REAL QUESTION IS HOW MUCH MONEY DO WE
19 SET ASIDE TO SUPPORT THESE PROGRAMS AS THEY HIT
20 THOSE MARKS, AND HOW MANY NEW PROGRAMS DO WE BRING
21 IN TO MY MIND. WE HAVE 23 PROJECTS THAT ARE ALL
22 WORKING TOWARDS AN IND, AND WE'VE GOT SIX THAT WE
23 THINK ARE GOING TO GET THERE NEXT YEAR, AND WE'VE
24 GOT TWO THAT ARE THERE. HOW MUCH MONEY DO WE HAVE
25 TO HAVE TO SUPPORT THOSE?

BARRISTERS' REPORTING SERVICE

1 DR. FEIGAL: I'LL GET TO THAT IN A MINUTE.
2 BUT THE ONLY COMMENT I DO WANT TO MAKE IS THE
3 ACCELERATED PATHWAY, UNLIKE THE FDA THAT ACTUALLY
4 DOESN'T HELP PEOPLE WITH THEIR PRECLINICAL, THEY
5 GIVE THEM ADVICE, BUT THERE'S NOT A SPECIAL PATHWAY
6 BEFORE THEY GET INTO THE CLINIC. THIS IS ACTUALLY
7 NOVEL TO THINK ABOUT A WAY TO ACTUALLY HELP THEM
8 THROUGH THAT PRECLINICAL PATHWAY AS WELL SO THAT
9 THEY CAN MORE EFFICIENTLY FILE THAT IND WITH THE
10 FDA. AND IT'S POSSIBLE WE COULD REALLY CUT OFF
11 QUITE A BIT OF TIME IN TERMS OF HELPING THEM THROUGH
12 THAT PART OF THE PATHWAY AS WELL.

13 THE BOARD MAY DECIDE ON DIFFERENT CRITERIA
14 YOU WANT TO THINK ABOUT. THESE ARE JUST IDEAS WE'VE
15 THOUGHT ABOUT INTERNALLY FROM THE SCIENTIFIC STAFF
16 ABOUT WHAT MIGHT BE HELPFUL TO MOVE THINGS ALONG.
17 IT'S YOUR DECISION HOW TO DO IT. WE JUST WANT TO
18 MAKE SURE THAT WE MAKE CLEAR WHAT OUR RATIONALE WAS
19 FOR PUTTING IT FORWARD IN THE WAY WE HAVE. SO THE
20 CLINICAL PROOF OF CONCEPT --

21 DR. JUELGAARD: ELLEN, JUST TO BACK UP TO
22 THE PREVIOUS SLIDE FOR A MOMENT, THE ONE THAT WE
23 WERE JUST DISCUSSING. SO I UNDERSTOOD YOU TO SAY
24 JUST AT THE END OF YOUR REMARKS JUST A MOMENT AGO
25 THAT THIS IS STILL A WORK IN PROGRESS ABOUT HOW THIS

BARRISTERS' REPORTING SERVICE

1 ACCELERATION WOULD WORK, IS THAT RIGHT, ABOUT HOW IT
2 WOULD HAPPEN?

3 DR. FEIGAL: WE'RE PROPOSING THAT TO YOU.

4 MR. JUELSGAARD: SO THIS IS IT? THIS IS
5 HOW YOU'RE PROPOSING TO DO IT THAT'S ON THE SLIDE
6 BEFORE THAT?

7 DR. FEIGAL: THE NEXT SLIDE? IS THAT WHAT
8 YOU'RE ASKING?

9 MR. JUELSGAARD: NO. THE ONE BEFORE THAT
10 ONE.

11 DR. FEIGAL: I MEAN THAT'S A BULLET POINT.
12 WE CAN PROVIDE MORE COLOR FOR THAT.

13 DR. JUELSGAARD: SO LET ME ASK A FEW
14 QUESTIONS SO I CAN UNDERSTAND THINGS A LITTLE BIT
15 BETTER. SO THE FIRST IS LET'S ASSUME WE PICK A
16 PROJECT, EIGHT, SIX, EIGHT, WHATEVER, BUT WE PICK A
17 PROJECT THAT WE THINK IS WORTHY OF THIS. SO I
18 ASSUME THAT THE ACADEMIC CENTER OR WHEREVER THIS
19 PROJECT IS LOCATED WOULD HAVE TO AGREE TO SIGN UP
20 FOR THIS; IS THAT RIGHT? SO IT'S NOT ENTIRELY OUR
21 CHOICE. IF SOMEBODY SAID, WELL, THANK YOU VERY
22 MUCH, BUT, YOU KNOW, WE'RE JUST QUITE HAPPY DOING IT
23 THE WAY THAT WE WANT TO DO IT ON OUR OWN TIMELINES
24 AND WE'LL GET OUR OWN ADVISORS, ETC. THEY WOULD
25 HAVE THE FREEDOM TO SAY THAT.

BARRISTERS' REPORTING SERVICE

1 DR. FEIGAL: JUST SO YOU KNOW, IN THE
2 NOTICE OF GRANT AWARD, THEY ALREADY HAVE COMMITTED
3 AND AGREED TO WORKING WITH CIRM AND SCIENTIFIC
4 OFFICERS AND A CLINICAL DEVELOPMENT ADVISOR PANEL.
5 THAT'S ALREADY PART OF THEIR NOTICE OF GRANT AWARD
6 TO EVERYBODY WHO GETS A TEAM.

7 WHAT THEY DIDN'T KNOW IS WHETHER OR NOT
8 THEY MIGHT GET UNIMPEDED ACCESS TO FUNDING. IF
9 PEOPLE SAY NO, I MUST SAY I'D BE SOMEWHAT SURPRISED.
10 BUT YOU'RE RIGHT. THEY'D HAVE TO BE INTERESTED IN
11 GETTING MORE RESOURCES AND GETTING MORE HELP.

12 DR. JUELSGAARD: SO LET ME GO TO THE
13 SECOND PART OF THIS THEN. SO LET'S SAY THAT THEY
14 DON'T NECESSARILY DISAGREE WITH THE CONCEPT. AND SO
15 I DID GO TO THE LAST CDAP MEETING WHICH REVIEWED THE
16 DISEASE TEAM III. IT WAS ONE OF MY FIRST
17 INVOLVEMENTS, AND I WAS QUITE IMPRESSED WITH THE
18 QUALITY AND CHARACTER OF THE REVIEWERS, PARTICULARLY
19 IN THE CLINICAL AREA. SOME OF THEM HAD SOME REALLY
20 GOOD ADVICE FOR THE PROJECTS THAT WERE INVOLVED
21 GOING FORWARD.

22 BUT AS WE ALL KNOW IN THIS ROOM, SOME
23 PEOPLE READILY TAKE ADVICE AND SOME PEOPLE DON'T SO
24 READILY TAKE ADVICE. AND SO THE NEXT QUESTION GETS
25 TO BE SO SAY SOME ADVICE IS GIVEN, BUT THE

BARRISTERS' REPORTING SERVICE

1 ORGANIZATION THAT'S INVOLVED SAYS THANK YOU, BUT,
2 YOU KNOW, WE THINK WE HAVE A BETTER WAY TO DO IT.
3 SO I TAKE IT WE'RE JUST ADVISING THEM. WE'RE NOT,
4 IN ESSENCE, REQUIRING THEM TO FOLLOW WHAT WE THINK
5 IS THE BEST WAY TO GET THERE; IS THAT RIGHT?

6 DR. FEIGAL: LET ME EXPLAIN WHAT WE DO FOR
7 THE PAST THREE YEARS WITH OUR DISEASE PROJECTS.
8 WE'VE BEEN WORKING WITH THEM IN A COLLEGIAL WAY, SO
9 IT'S NOT A POLICE ENFORCEMENT. BUT WHAT WE'VE
10 GOTTEN BUY-IN FROM ALL OF THE TEAMS IS THAT THEY
11 FIND THIS PROCESS INCREDIBLY CONSTRUCTIVE AND
12 PRODUCTIVE, AND ACTUALLY THEY HAVE TAKEN THE
13 RECOMMENDATIONS. WE FIND WHEN THEY HAVEN'T, IT
14 PROBABLY DOESN'T -- BY EXPERIENCE IS IT HASN'T GONE
15 VERY WELL WITH THEIR PROJECT. NOT BECAUSE WE'RE
16 DOING SOMETHING VENGEFUL, BUT THEY HAVEN'T
17 RECOGNIZED THAT THERE ACTUALLY WAS A CONSTRUCTIVE
18 APPROACH TO MITIGATE A RISK THAT THEY SHOULD HAVE
19 TAKEN.

20 BUT I CAN SAY THAT WE HAVE SEEN INCREDIBLE
21 COLLABORATION AND AGREEMENT WITH THE
22 RECOMMENDATIONS, BUT IT IS A DIALOGUE AND IT'S A
23 DISCUSSION. IT'S NOT YOU SHALL DO IT. WHAT WE DO
24 IS AFTER EVERY CDAP I SIT DOWN WITH THE SCIENCE
25 OFFICERS THAT ARE WORKING ON THAT PROJECT WITH THE

BARRISTERS' REPORTING SERVICE

1 TEAM AND GO OVER WHAT THE ISSUES ARE AND HOW THEY
2 MIGHT WORK FORWARD. AND I CAN SAY THAT IT'S BEEN
3 VERY CONSTRUCTIVELY RECEIVED.

4 DR. JUELSGAARD: NO. I JUST RECALL THE
5 VERY FIRST PRESENTATION AT THAT LAST CDAP --

6 DR. FEIGAL: DON'T SAY THE PROJECT NAME,
7 PLEASE.

8 DR. JUELSGAARD: I WON'T. ANYWAY, IT WAS
9 ONE OF THE PROJECTS, AND VERY CLEARLY SOMEBODY MADE
10 THE POINT, I THINK IT WAS, FROM THE REGULATORY POINT
11 OF VIEW, THAT ON TWO DIFFERENT OCCASIONS THIS TEAM
12 HAD BEEN GIVEN REGULATORY ADVICE IN THE PAST, AND
13 THEY JUST HADN'T FOLLOWED IT FOR WHATEVER REASON,
14 GOOD, BAD, OR INDIFFERENT. BUT MY ONLY POINT IS
15 THAT I'M JUST TRYING TO UNDERSTAND WHAT WE'RE DOING
16 AND THEN HOW LIKELY IT IS TO REALLY ACCELERATE
17 THINGS.

18 SO CLEARLY THE BEST WAY TO ACCELERATE
19 THINGS IS YOU COULD JUST TAKE AHOLD OF THE THING
20 YOURSELF AND PUT THE TIME AND ATTENTION TO IT THAT
21 YOU THINK IT NEEDS, INCLUDING THE PEOPLE, THE RIGHT
22 PEOPLE. YOU WOULD MAKE ALL THOSE DECISIONS
23 YOURSELF, BUT WE'RE NOT GOING TO DO THAT AND WE
24 CAN'T.

25 SO WE'RE GOING TO BE AN ADVISORY GROUP.

BARRISTERS' REPORTING SERVICE

1 I'M TESTING THE LIMITS OF HOW WELL THIS ACCELERATION
2 WILL WORK. AND I WOULD SUGGEST THAT IN SOME CASES
3 IT WILL BE EXCELLENT AND IN OTHER CASES IT WILL BE
4 WANTING. AND IT WILL REALLY DEPEND UPON THE PEOPLE
5 THAT WE WORK WITH, THE INSTITUTIONS THAT WE WORK
6 WITH.

7 LET ME MAKE ONE OTHER POINT. I ASSUME
8 THAT SOMEWHERE ALONG THE WAY ONE OR MORE TEAMS
9 WORKING WITH US MIGHT GET FRUSTRATED WITH THIS WHOLE
10 PROCESS, SAYING THIS IS REALLY A WONDERFUL IDEA AND
11 I THOUGHT IT WAS GOING TO WORK OUT WELL, BUT I'M
12 JUST KIND OF FED UP WITH THE WHOLE THING, AND SO I'M
13 SAYING SAYONARA. I'M GOING MY OWN WAY. AND THEY
14 WOULD BE ABLE TO DO THAT.

15 DR. FEIGAL: IN THREE YEARS --

16 DR. JUELSGAARD: NO. NO.

17 DR. FEIGAL: I THINK IT'S IMPORTANT TO SAY
18 WHAT THE TRACK RECORD IS.

19 DR. JUELSGAARD: THE ANSWERS ARE MORE LIKE
20 YES OR NO. WE'RE NOT HAVING BINDING AGREEMENTS THAT
21 REQUIRE THEM TO DO THINGS. THIS IS ALL THE POSSIBLE
22 OUTCOMES.

23 DR. FEIGAL: THEY HAVE MILESTONES. AND IF
24 THEY DON'T MEET THEM, THEY CAN'T GO FORWARD.

25 DR. JUELSGAARD: I UNDERSTAND. IT'S HOW

BARRISTERS' REPORTING SERVICE

1 YOU GET TO THE MILESTONE, WHETHER YOU FOLLOW IT OUR
2 WAY OR SOME OTHER WAY.

3 DR. FEIGAL: AND THE TIMING OF GETTING TO
4 A MILESTONE.

5 I THINK YOU KNOW WE HAVE CONVERTED
6 DEVELOPMENT TEAM PROJECTS INTO EARLIER STAGE WITH
7 REDUCED SCOPE AND REDUCED BUDGET AND WE HAVE
8 TERMINATED PROJECTS. SO WE DO HAVE THE DISCRETION
9 TO MAKE DECISIONS. WE HAVE IMPLEMENTED NEW
10 INDIVIDUALS ONTO THEIR TEAM. THEY KNOW THAT COMING
11 IN. IF THEY DON'T HAVE THE RIGHT EXPERTISE, THEY
12 SEND US CV'S, WE HELP THEM. WE HELP IDENTIFY PEOPLE
13 FOR THEM. THEY LOOK TO EXPERTISE. WE HELP THEM
14 FIND IT.

15 SO I CAN SAY IT'S WORKED EXTREMELY WELL.
16 I CAN TELL YOU THERE'S POTENTIAL FOR IT NOT TO WORK
17 WELL; BUT I THINK IF YOU HANDLE IT RIGHT WITH THE
18 RIGHT PEOPLE, IT WORKS VERY PRODUCTIVELY.

19 DR. STEWARD: THANK YOU. JUST TO FOLLOW
20 UP A LITTLE BIT ON A COMMENT THAT MICHAEL FRIEDMAN
21 MADE EARLIER ON. I REALLY HAVE TO SAY I THINK THIS
22 IS THE MOST IMPORTANT AND FUNDAMENTAL DISCUSSION
23 THAT WE'RE GOING TO HAVE AT THIS MEETING, AND IT'S
24 PROBABLY THE MOST IMPORTANT AND FUNDAMENTAL
25 DISCUSSION THAT WE'RE GOING TO HAVE FOR THE NEXT

BARRISTERS' REPORTING SERVICE

1 COUPLE OF YEARS, GIVEN THAT AND RECOGNIZING THE
2 LIMITED TIME.

3 I REALLY WOULD RECOMMEND THAT WE START THE
4 DISCUSSION NOW ON WHETHER TO PRIORITIZE RATHER THAN
5 SPENDING THE TIME THAT WE ARE ON HOW TO PRIORITIZE
6 IF WE DECIDE THAT. I DON'T KNOW WHETHER THAT'S AN
7 APPROPRIATE WAY TO GO AT THIS POINT, BUT I THINK
8 THERE'S SO MANY KEY FEATURES, THAT WE JUST REALLY
9 NEED TO GET AT THE HEART OF IT AS SOON AS POSSIBLE.

10 DR. FEIGAL: I GUESS CAN I MAKE ONE
11 COMMENT, IF I COULD? WHEN WE TALK ABOUT ACCELERATED
12 PATHWAY, IT'S INCREASED USE OF SCIENTIFIC STAFF
13 TIME. IT'S INCREASED USE OF ADVISOR TIME. SO PART
14 OF THE ISSUE ABOUT PRIORITIZING WAS ALSO BASED ON
15 PRAGMATISM. THERE'S ONLY SO MANY PEOPLE TO GO
16 AROUND. AND DOING THIS KIND OF PROCESS ON 23
17 PROJECTS IS NOT GOING TO BE DOABLE. SO PART OF IT
18 WAS REALLY THINKING ABOUT IF WE ARE GOING TO ENHANCE
19 A PROCESS AND HAVE SOMETHING THAT'S ACCELERATED AND,
20 OF COURSE, THERE'S MONEY INVOLVED, THERE'S A SET
21 ASIDE AMOUNT OF FUNDING.

22 THERE'S GOING -- IF YOU DON'T LIKE THE
23 TERM "PRIORITIZATION," THERE'S GOING TO HAVE TO BE
24 SOME HARD DECISIONS THAT NEED TO BE MADE ABOUT WHOM
25 TO DO THIS FOR. AND THAT, I THINK, IS IMPORTANT AS

BARRISTERS' REPORTING SERVICE

1 YOU TALK ABOUT WHETHER OR NOT YOU WANT TO DO THIS.

2 DR. STEWARD: JUST TO BE CLEAR. YOUR
3 POINT IS EXACTLY RIGHT. WHAT WE ARE DECIDING TODAY
4 IS REALLY TO SET ASIDE SOME RATHER LARGE PERCENTAGE
5 OF OUR REMAINING MONEY FOR THIS ACTIVITY. I THINK
6 THAT'S THE MOST IMPORTANT DISCUSSION TO HAVE,
7 EXACTLY. I WAS ACTUALLY RECOMMENDING THAT WE SORT
8 OF STOP NOW BECAUSE THE REST OF THE SLIDES ARE HOW
9 RATHER THAN WHETHER.

10 CHAIRMAN THOMAS: SO LET'S TALK ABOUT THAT
11 THEN. FIRST OF ALL, OS, DO YOU HAVE THOUGHTS ON THE
12 SUBJECT TO LEAD OFF THAT DISCUSSION?

13 DR. STEWARD: WELL, I HAVE TO SAY THAT I
14 REALLY THOUGHT A LOT ABOUT THIS AND TRIED TO THINK
15 ABOUT IT FROM THE POINT OF VIEW OF SORT OF WHAT THIS
16 ORGANIZATION IS ALL ABOUT AND WHAT WE'RE TRYING TO
17 DO. AND I'M UNDECIDED ON THE MATTER OF WHETHER OR
18 NOT TO DO THIS. AND LET ME SAY THAT WITH THE
19 GREATEST RESPECT TO THE SCIENTIFIC ADVISORY
20 COMMITTEE THAT WAS PUT TOGETHER. THESE ARE FABULOUS
21 PEOPLE WHO REALLY UNDERSTAND AND REALLY CARE ABOUT
22 WHAT WE'RE DOING.

23 I'M CONCERNED, THOUGH, AT SEVERAL
24 DIFFERENT LEVELS IN PART BECAUSE ARE WE REALLY
25 TRYING TO JUST GET A HIT NO MATTER WHAT THE HIT IS,

BARRISTERS' REPORTING SERVICE

1 OR ARE WE TRYING TO ADVANCE THE THERAPIES FOR ALL
2 THE DIFFERENT DISEASES AND DISORDERS THAT WE STARTED
3 WITH IN THE BEGINNING? AND I GUESS IN MY HEART OF
4 HEARTS I STILL THINK IT'S THAT LATTER, THAT WE
5 REALLY CARE ABOUT ALL OF THEM. AND IT JUST HAPPENS
6 THAT A FEW HAVE POPPED UP AND ARE A LITTLE BIT
7 FURTHER ALONG, BUT I WOULD CALL THESE VERSION 1.0
8 THERAPIES, NOT THE KIND OF THING THAT WE'RE GOING TO
9 BE VERY HAPPY WITH AT THE END OF THE DAY. IT'S LIKE
10 GETTING A DRUG FOR AIDS AND STOPPING THERE AND NEVER
11 DOING ANYTHING MORE. THESE ARE NOT GOING TO BE THE
12 FINAL ANSWERS, AND SO I'M REALLY CONCERNED ABOUT
13 TRYING TO IDENTIFY THE WINNERS AT THIS POINT BEFORE
14 WE GET MUCH FURTHER -- WELL, AT ALL BECAUSE I THINK
15 THE WINNERS WILL BECOME EVIDENT, AND SAYING THAT
16 THERE'S GOING TO BE SIX OR EIGHT OR WHATEVER IS
17 DANGEROUS.

18 THAT'S MY PRELIMINARY VIEWPOINT, AND I'M
19 REALLY VERY HAPPY TO HEAR ALTERNATIVE VIEWPOINTS,
20 AND ESPECIALLY VIEWPOINTS FROM PEOPLE IN THE PUBLIC.
21 BUT I JUST WANTED TO SORT OF ANNOUNCE MY LEVEL OF
22 CONCERN ABOUT THIS WHOLE CONCEPT.

23 DR. FEIGAL: I JUST WANTED TO BE CLEAR
24 THAT WHETHER IT'S SIX TO EIGHT, THAT THAT'S NOT A
25 MARRIAGE, THAT'S NOT A COMMITMENT TO THE END OF, FOR

BARRISTERS' REPORTING SERVICE

1 SOME PEOPLE, TO THE END OF TIME. BUT SOME OF THESE,
2 THERE'S GOING TO BE ATTRITION. THERE'S GOING TO BE
3 NEW OPPORTUNITIES TO COME IN. SO MAYBE THE SIX TO
4 EIGHT IN MAY OF 2014 WILL BE SOMETHING, BUT OVER
5 TIME THROUGH ATTRITION, THROUGH OTHER THINGS,
6 THERE'S GOING TO BE OTHER ONES THAT COME IN, AND
7 THAT FUNDING IS REALLY FOR THE CUMULATIVE SIX TO
8 EIGHT, BUT IT MAY NOT BE THE ONES THAT STARTED IN
9 MAY OR JUNE OF 2014. IT MAY NOT WORK OUT FOR THOSE.

10 MR. SHEEHY: I REALLY KIND OF FEEL LIKE
11 THAT THIS IS MAYBE THE TIME TO TAKE ON THE TWO
12 QUESTIONS THAT STEVE PUT ON. I THINK WHAT OS IS
13 ALLUDING TO ARE THOSE TWO CORE QUESTIONS. WHAT ARE
14 OUR OBJECTIVES OVER WHAT TIME FRAME? AND THEN
15 DECIDING WHAT WE'RE GOING TO DO.

16 BUT I MEAN REALLY OS HAS JUST ARTICULATED
17 AN OBJECTIVE. LET'S PUT ON THE TABLE WHAT WE WANT
18 TO DO. AND I THINK STEVE LAID IT OUT REALLY
19 CLEARLY, AND I THINK THAT'S THE REAL QUESTION HERE.
20 AND THEN WE CAN FLOW FROM THERE WHAT TO DO, WHAT
21 PROJECTS GO FORWARD.

22 DR. HAWGOOD: I'VE BEEN LISTENING AND I'VE
23 BEEN VACILLATING A LITTLE BIT, BUT I THINK WHAT OS
24 JUST SAID RESONATES VERY WELL WITH ME. I THINK THIS
25 FIELD IS TOO YOUNG TO BE PLACING BETS, AND WE'RE

BARRISTERS' REPORTING SERVICE

1 VERY NERVOUS ABOUT A FUNDING CLIFF THAT THIS AGENCY
2 IS LOOKING FOR. BUT IF THERE'S PROGRESS, SOMEONE
3 ELSE, IF THIS AGENCY ISN'T SUCCESSFUL IN BEING
4 REFUNDED, SOMEONE WILL PICK THIS UP. AND I THINK WE
5 NEED TO TAKE A LONGER VIEW THAN WE HAVE TO HAVE A
6 HIT NO MATTER WHAT THE HIT IS BY 2017.

7 HAVING SAID THAT, I THINK THERE IS A
8 DEFINITE PLACE FOR A PROCESS THAT IDENTIFIES A
9 PROJECT THAT IS CLEARLY EXCEEDING EXPECTATIONS IN
10 TERMS OF EXCITEMENT, SCIENTIFIC PROGRESS, CLINICAL
11 PROGRESS, AND HAVING A CAPABILITY OF PROVIDING
12 ADDITIONAL FUNDS TO ACCELERATE, IF WE WANT TO USE
13 THAT WORD, PROGRESS. BUT I DON'T THINK IT SHOULD BE
14 AT THE EXPENSE OF ALL ELSE THAT IS GOING ON.

15 CHAIRMAN THOMAS: DR. FINE.

16 DR. FINE: I'D LIKE TO ADD AN ADDITIONAL
17 THOUGHT FOR ADDITIONAL COMPLEXITY. RESEARCHERS TEND
18 TO FOLLOW WHERE THE MONEY IS. AND I'M STARTING TO
19 SEE THE OCCASIONAL GROUP BEING SO ATTRACTED BY THE
20 FUNDING FOR SOMETHING THAT'S TRANSLATIONAL, THAT
21 WHAT IS STARTING TO BE NEGLECTED IS THE DISCOVERY
22 AND BASIC SCIENCE OF THEIR RESEARCH PROGRAMS. THIS
23 ORGANIZATION HAS MADE AN IMMENSE INVESTMENT IN SUCH
24 PROGRAMS. AND THE SUSTAINABILITY OF THOSE PROGRAMS,
25 IN MY HUMBLE OPINION, IS TO MAINTAIN THE BALANCE

BARRISTERS' REPORTING SERVICE

1 BETWEEN BASIC RESEARCH AND TRANSLATIONAL RESEARCH
2 WITHIN THE SAME FRAMEWORK AT THE LOCAL LEVEL.

3 AND SO SUSTAINABILITY IS GOING TO BE ONE
4 OF THE POINTS UPON WHICH THE SUCCESS OF THIS
5 ORGANIZATION IS BEING JUDGED. WHILE WE'RE VERY
6 FOCUSED ON THE PROJECTS, I WOULD SIMPLY WONDER
7 WHETHER WE SHOULD NOT ALSO, AS PART OF OUR
8 PRIORITIZATION MENTALITY, ALSO CONSIDER WHETHER
9 WE'RE ABLE TO UNDERSTAND THE SUSTAINABILITY OF THOSE
10 WHO ARE PROPOSING SUCH PROJECTS. AS WE'VE HEARD,
11 MANY OF THEM WILL FAIL. WHEN THEY FAIL AND THERE'S
12 NOTHING LEFT IN THE PANTRY WITH WHICH TO GET ON WITH
13 TAKING ANOTHER PROJECT FORWARD OR MODIFYING THE
14 ORIGINAL IDEA, WE WILL HAVE LOST A SUBSTANTIAL
15 INVESTMENT IN SUCH PROGRAMS. SO JUST A THOUGHT.

16 CHAIRMAN THOMAS: I THINK WE'RE ACUTELY
17 AWARE OF THAT. AND THAT IS A FRONT-BURNER ISSUE.
18 SO IT FACTORS HEAVILY INTO ALL THIS.

19 OTHER COMMENTS?

20 DR. DULIEGE: JUST I KNOW IT'S PRETTY
21 OBVIOUS, BUT I DON'T THINK ELLEN EVER SAID OR THE
22 STAFF NEVER SAID WE HAVE TO GET A PROOF OF CONCEPT
23 NO MATTER WHAT. CLEARLY THAT DIDN'T HAPPEN. THAT'S
24 NOT A GOAL IN ITSELF.

25 IS THERE A WAY TO STILL PROVIDE

BARRISTERS' REPORTING SERVICE

1 SUBSTANTIAL SUPPORTING, INCLUDING ADVICE, STAFF
2 SUPPORT, TO THE MOST PROMISING OF THESE SIX TO EIGHT
3 PROJECTS WHILE NOT CLOSING THE DOOR TO EARLIER
4 PROJECTS WHICH AT SOME POINT HAVE MADE SUCH
5 MILESTONES THAT THEY LOOK MORE PROMISING IS MY
6 QUESTION.

7 CHAIRMAN THOMAS: DR. FEIGAL, IF YOU'D
8 ADDRESS THAT QUESTION, PLEASE.

9 DR. FEIGAL: WELL, MY SHORT ANSWER IS YES.
10 THAT'S EXACTLY WHAT WE ARE PROPOSING IS THAT WE HAVE
11 A CERTAIN AMOUNT THAT WE WANT TO GO FOR THE
12 PROMISING. BUT AS I SAID, WE DO HAVE -- THESE
13 PRESENTATIONS ARE SORT OF TALKING ABOUT ISOLATED
14 PROGRAMS, BUT YOU HAVE TO THINK ABOUT THE WHOLE
15 CONTEXT OF WHAT YOU'RE GOING TO HEAR TODAY. AND WE
16 DO WANT TO HAVE A POROUS WINDOW TO HAVE EARLIER
17 STAGE PROJECTS PROGRESS. AND WE DO WANT TO HAVE THE
18 BASIC SCIENCE. I THINK I SAID THAT IN THE VERY
19 FIRST MINUTE OR SO OF MY START OF THIS TALK WAS WE
20 THINK THAT'S IMPORTANT, TO CONTINUE THE SCIENCE,
21 BECAUSE THE SCIENCE EVOLVES. AND WHAT WAS REALLY
22 INTERESTING THREE OR FOUR YEARS AGO MAY NO LONGER BE
23 THE LEAD WAY TO MOVE THIS STRATEGY FORWARD.

24 SO WE ARE TRYING TO THINK OF IT IN THAT
25 WAY, THAT WE WANT TO HAVE THE MOST PROMISING GET

BARRISTERS' REPORTING SERVICE

1 ADDITIONAL HELP TO ACTUALLY ALLOW THEM TO GO FORWARD
2 AND NOT SPEND ALL THE MONEY BEFORE THEY CAN ACTUALLY
3 GET TO THAT CRITICAL POINT OF INFLECTION. AND, TWO,
4 TO ALLOW A WINDOW FOR EARLIER STAGE OR OTHER
5 PROMISING PROJECTS TO COME FORWARD. THAT'S EXACTLY
6 WHAT WE'RE TRYING TO DO.

7 CHAIRMAN THOMAS: DR. FEIGAL, SO ALL OF
8 THE 21 PROJECTS OR THE 23 PROJECTS ARE SUBJECTED TO
9 CDAP CURRENTLY.

10 DR. FEIGAL: THAT'S RIGHT.

11 CHAIRMAN THOMAS: CDAP PROCESS ITSELF IS
12 VERY COMPREHENSIVE, TIME-CONSUMING FOR STAFF, BUT
13 DOES ADD, I THINK, GREAT VALUE AND IS ONE OF THE KEY
14 DIFFERENTIATORS BETWEEN CIRM AND ANY OTHER FUNDING
15 AGENCY OUT THERE BECAUSE WE ARE ACTIVELY TRYING TO
16 HELP JUST NOT FUND, BUT HELP PEOPLE GET FURTHER AND
17 FURTHER ALONG WITH STRATEGIC INPUT ALONG THE WAY.
18 THE PROCESS IS ALREADY IN PLACE.

19 WHAT ARE THE OTHER ELEMENTS THAT WOULD
20 HAVE TO HAPPEN UNDER YOUR THOUGHT ON AN ACCELERATED
21 PATHWAY THAT WOULD INVOLVE A LOT MORE STAFF TIME AND
22 ETC.? SO WE'RE TRYING TO FIGURE OUT JUST EXACTLY
23 HOW BURDENSOME. IF WE TOOK THE BROADEST CASE AND
24 SAID WE WANT TO PUSH EVERYTHING ALONG THAT'S
25 CURRENTLY IN FRONT OF CDAP, JUST EXACTLY WHAT ARE WE

BARRISTERS' REPORTING SERVICE

1 TALKING ABOUT HERE?

2 DR. FEIGAL: WE'RE PROBABLY TALKING ABOUT
3 RIGHT NOW WE HAVE ONCE A YEAR FORMAL ADVISORY
4 MEETINGS IN PERSON WITH EACH OF THE DIFFERENT
5 DISEASE TEAMS OR ADVISORS AND THE CIRM SCIENTIFIC
6 AND MEDICAL STAFF. WE'D PROBABLY TRIPLE OR
7 QUADRUPLE THAT FOR THE PEOPLE WHO ARE ACTUALLY IN
8 THE ACCELERATED PATHWAY SO THAT WE HAVE MORE
9 FREQUENT INTERACTIONS, WE HAVE MORE AD HOC
10 INTERACTIONS. WHAT WE'VE ACTUALLY BEEN ASKED AND
11 WE'VE STARTED ON A VERY LIMITED LEVEL ARE AD HOC
12 INTERACTIONS WITH THE TEAM BECAUSE THEY NEED MORE
13 THAN WHAT WE CURRENTLY ARE PROVIDING. WE'RE
14 PRAGMATICALLY DOING IT ACROSS THE BOARD WITH THE 23.
15 THAT'S WHAT WE CAN DO.

16 BUT WE COULD ALSO, IF WE FOCUS IN ON SOME
17 OF THE MOST PROMISING, WE COULD GIVE THEM MUCH MORE
18 IN TERMS OF OUR TIME AND IN TERMS OF ADVISOR TIME.
19 THESE ARE INDIVIDUALS WHO ARE VERY BRIGHT, THEY'RE
20 VERY SMART, THEY ALL HAVE OTHER JOBS. SO IT'S
21 ACTUALLY GETTING TIME. IT'S NOT A MONEY ISSUE SO
22 MUCH, ALTHOUGH THERE IS SOME MONEY INVOLVED, BUT
23 IT'S ACTUALLY GETTING TIME TO ACTUALLY SPEND WITH
24 THESE TEAMS AND WITH THESE INVESTIGATORS.

25 MANY OF THE ADVISORS HAVE OFFERED TO DO

BARRISTERS' REPORTING SERVICE

1 THAT IF WE WANTED TO TAKE THEM UP ON THAT OFFER TO
2 HELP THESE TEAMS BECAUSE THEY THINK IT'S SUCH A
3 NOVEL THING THAT WE'RE DOING, AND THEY ACTUALLY WANT
4 TO BE A PART OF THE ENTERPRISE. AND MANY OF THE
5 TEAMS WOULD LIKE ACCESS TO SOME OF OUR ADVISORS TO
6 REALLY HELP THEM ON A MORE FREQUENT BASIS. SO WE'D
7 LIKE TO REALLY TRIPLE OR QUADRUPLE THE FREQUENCY OF
8 OUR BEING ABLE TO DO THAT, AND PRACTICALLY WE CAN'T
9 DO THAT WITH ALL 23.

10 MR. SHEEHY: HAVE EITHER OF THE PROJECTS
11 THAT ARE CURRENTLY IN CLINICAL TRIAL ASKED FOR
12 ADDITIONAL SUPPORT FROM CIRM STAFF?

13 DR. FEIGAL: YES. WE'VE BEEN OUT THERE
14 AND WE VISITED THEM.

15 MR. SHEEHY: THEY BOTH ASKED FOR
16 ADDITIONAL?

17 DR. FEIGAL: WE HAVE INTERACTED WITH THEM
18 AND WE'VE RECEIVED VERY POSITIVE FEEDBACK IN WORKING
19 WITH THEM.

20 MR. SHEEHY: AND THEY BOTH ASKED THAT THEY
21 WISH THEY HAD MORE TIME WITH CIRM STAFF AND CIRM
22 ADVISORS?

23 DR. FEIGAL: NOT IN THAT PHRASING, JEFF,
24 BUT WHAT THEY HAVE APPRECIATED IS WHEN THEY RUN INTO
25 ISSUES OR HAVE ISSUES, THEY HAVE ACCESS TO US. AND

BARRISTERS' REPORTING SERVICE

1 WE HAVE WORKED WITH THEM. WE WORKED WITH THE HIV
2 TEAM, AND ACTUALLY WE'RE GOING TO BE TALKING TO THE
3 CARDIOVASCULAR TEAM VERY SOON.

4 MR. SHEEHY: I THINK THEY MIGHT WANT MORE
5 MONEY. DO THEY REALLY -- SOUNDS LIKE A LOT OF -- I
6 DON'T KNOW. SOUNDS LIKE A LOT. I JUST WOULD LIKE
7 TO HAVE A DATA POINT ON THAT BECAUSE THAT'S
8 REALLY --

9 DR. FEIGAL: THE DATA POINT FOR CLINICAL
10 TRIALS IS REALLY MORE ABOUT RETHINKING CLINICAL
11 DESIGN, SCREEN FAILURES, HOW TO BE MORE EFFICIENT
12 ABOUT ENROLLING PATIENTS. SO IT'S ACTUALLY THINGS
13 THAT ARE PRACTICAL ISSUES THAT THEY NEED TO DO FOR
14 THEIR PROJECT. AND SO THOSE TYPES OF ISSUES WE HAVE
15 ACCESS TO EITHER INTERNALLY OR WE CAN BRING IT IN TO
16 HELP THEM. AND THEY HAVE BEEN ASKED TO ACTUALLY
17 COME DOWN AND HELP PUBLICIZE THEIR CLINICAL TRIAL,
18 HELP THEM WITH ENROLLMENT ISSUES, THINKING THROUGH
19 MAYBE SOME OF THE ELIGIBILITY ISSUES. WE GO OVER
20 SCREEN FAILURES. SO THERE'S VERY PRACTICAL THINGS
21 WHEN YOU'RE CONDUCTING A TRIAL THAT HELP MOVE THE
22 SCIENCE FORWARD. SO THERE HAVE BEEN VERY
23 CONSTRUCTIVE INTERACTIONS THERE.

24 DR. JUELSGAARD: SO I'D LIKE TO COME BACK
25 TO WHAT OS SAID AND WAS IN SOME SENSE SECONDED BY

BARRISTERS' REPORTING SERVICE

1 DEAN HAWGOOD.

2 SO THE BACKDROP OF THIS DISCUSSION FOR ME
3 IS REALLY THE WINDING DOWN DAYS OF CIRM, AND IT'S
4 SOME AMOUNT OF MONEY THAT WE HAVE LEFT TO SPEND,
5 WHETHER THAT AMOUNT IS 600 MILLION OR 900 MILLION OR
6 WHATEVER IT IS. AND THE QUESTION IS HOW TO BEST
7 SPEND THAT MONEY.

8 SO THE ALTERNATIVES, I THINK, ARE ON THE
9 ONE HAND LET'S JUST LET IT GO THE WAY IT'S GOING AND
10 SEE WHERE THE CHIPS FALL, WHICH, I THINK, IS WHAT
11 YOU GUYS ARE SUGGESTING, WHICH IS CLEARLY A VIABLE
12 WAY OF DOING THINGS. IT'S DEFENSIBLE IN MANY WAYS.
13 OR THE ALTERNATIVE IS TO DECIDE THAT WE WANT TO
14 ACHIEVE A PARTICULAR OUTCOME ABOVE ALL OTHERS AND
15 REALLY WORK HARD TO ACHIEVE IT, AND THOSE ARE OUR
16 CHOICES.

17 TO THE POINT OF WHETHER OR NOT YOU CAN
18 PRIORITIZE THINGS, THAT'S CERTAINLY SOMETHING THAT
19 COMPANIES WIND UP DOING ALL THE TIME BECAUSE THEY DO
20 HAVE LIMITED RESOURCES. AND THE ONLY WAY THAT
21 THEY'LL OVERCOME THAT IS TO BE SUCCESSFUL SO THAT
22 THEY'RE ABLE TO RAISE MORE RESOURCES, WHETHER IT'S
23 THROUGH PRODUCT REVENUE OR NEW INVESTMENT OR
24 WHATEVER. SO THEY SET UP, FOR BETTER, FOR WORSE,
25 PROCESSES FOR WINNOWING DOWN THE PROJECTS THEY'RE

BARRISTERS' REPORTING SERVICE

1 INVOLVED IN TO THOSE THAT THEY REALLY WANT TO PUT
2 THE MONEY TO AND THOSE THAT THEY'RE NOT GOING TO PUT
3 IT TO. SO THERE ARE WAYS OF DOING THIS. THAT
4 DOESN'T MEAN WE WOULD PICK THE RIGHT PROJECTS, BUT
5 NONETHELESS IT ISN'T THAT IT'S SOMETHING NEW OR
6 NOVEL.

7 BUT I THINK YOU GUYS HAVE REALLY LAID ON
8 THE TABLE KIND OF THE FUNDAMENTAL QUESTIONS. SO THE
9 RECOMMENDATION IS THE RECOMMENDATION, WHICH IS LET'S
10 PRIORITIZE. LET'S FIND WHAT WE THINK ARE THE BEST
11 HORSES TO RIDE AND SEE WHAT WE CAN DO, OR THE OTHER
12 IS TO JUST LET THIS GO ITS NATURAL COURSE AND WHERE
13 IT ENDS IT ENDS. I THINK WE JUST NEED TO MAKE THAT
14 DECISION TO START WITH. I AGREE WITH BOTH OF YOU.

15 SO I WOULD -- I THINK THAT WOULD BE A
16 REALLY WORTHWHILE DISCUSSION. I'D LOVE TO HEAR WHAT
17 OTHERS THINK ABOUT THAT AND THEN SEE KIND OF WHERE
18 WE COME TO BECAUSE IF THE DECISION IS LET'S NOT
19 PRIORITIZE, THEN WE'LL SAVE A BUNCH OF TIME FOR YOU,
20 ELLEN, IF NOBODY ELSE.

21 DR. LUBIN: SO THIS IS GUESSING WHAT
22 SUCCESSFUL SCIENCE IS. AND QUITE FRANKLY, IF WE CUT
23 OFF SOME OTHER APPLICATIONS, THEY MAY YIELD
24 INFORMATION THAT'S BETTER THAN ANYTHING ELSE WE'VE
25 HAD UP TO DATE, AND WE'RE MAKING THAT DECISION. IN

BARRISTERS' REPORTING SERVICE

1 MY OPINION, THAT'S NOT IN THE BEST INTEREST OF WHY
2 WE'RE HERE.

3 DR. FEIGAL: I JUST WANT TO CLARIFY THAT
4 THOSE THAT AREN'T IN THE SIX TO EIGHT, THEY STILL
5 HAVE THEIR FUNDING, THEY'RE STILL GOING FORWARD.
6 WHAT WE'RE TALKING ABOUT IS DO THEY GET ACCESS TO AN
7 ACCELERATED PATHWAY.

8 DR. HAWGOOD: I WAS JUST TRYING TO FRAME
9 WHAT STEVE SAID AND SORT OF PUT IT IN A SLIGHTLY
10 DIFFERENT FRAME. AND THAT IS DO WE THINK THAT OUR
11 FUNDAMENTAL RESPONSIBILITY IS TO LAY THE STRONGEST
12 POSSIBLE FOUNDATIONS FOR SCIENCE AND CLINICAL
13 ADVANCES THAT WILL CONTINUE BEYOND 2017, AND THAT'S
14 OUR PRIMARY RESPONSIBILITY, TO MAKE THAT FOUNDATION
15 AS STRONG AS POSSIBLE VERSUS, AS A COMPANY WOULD
16 BECAUSE OF THEIR FOR-PROFIT STATUS AND ALL OF THE
17 OTHER PRESSURES ON THEM, HAVE TO HIT A HOME RUN OR
18 THEY'VE GOT A PROBLEM. SO THAT'S WHERE I'M KIND OF
19 WRESTLING TRYING TO ADDRESS THAT QUESTION BECAUSE I
20 THINK IF WE DO THE LATTER, WE PROBABLY DO THE FORMER
21 A DISSERVICE.

22 DR. WESTON: I WONDER TOO WHETHER OR NOT
23 SETTING UP A PROCESS FOR CARRYING THESE SIX PROJECTS
24 FORWARD IS SUSTAINABLE IN THE LONG RUN FROM A
25 FINANCIAL PERSPECTIVE BECAUSE, AS OUR RESOURCES

BARRISTERS' REPORTING SERVICE

1 BEGIN TO ATTENUATE, IT COULD BE HARD, INCREASINGLY
2 DIFFICULT, TO MAINTAIN THE STANDARD OF EXCELLENCE
3 THAT YOU'VE DEVELOPED THIS FAR. AND THAT TRYING TO
4 THROW MORE MONEY TO MAINTAIN THAT STABLE PLATFORM
5 FOR YOU TO CONTINUE WITH THE EXCELLENT ADVICE YOU
6 GET ULTIMATELY WILL TAKE MONEY AWAY FROM OTHER
7 PURSUITS, AS DR. HAWGOOD SUGGESTED.

8 DR. FEIGAL: WE'RE NOT TALKING ABOUT --
9 THE MONEY SET ASIDE THAT YOU SEE IN YOUR SLIDES,
10 IT'S FOR THE RESEARCH. IT'S NOT FOR THE STAFF.

11 DR. WESTON: I UNDERSTAND THAT.
12 ADMINISTRATIVE TIME COSTS MONEY.

13 DR. FEIGAL: BUT WE'RE KEPT TO A CAP. WE
14 CAN'T GO ABOVE IT.

15 DR. JUELSGAARD: SO ACTUALLY I WANT TO
16 FOLLOW UP ON THE POINT THAT DONNA WAS JUST MAKING.
17 AND I THINK IT'S VERY IMPORTANT THAT WE REALLY DO
18 UNDERSTAND WHAT MIGHT WELL HAPPEN. SO I THINK IF WE
19 PRIORITIZE PROJECTS, AND I, FOR ONE, THINK WE SHOULD
20 DO THAT, BUT THAT'S BECAUSE I PROBABLY COME FROM A
21 DIFFERENT WALK OF LIFE, SO I HAVE A DIFFERENT
22 PHILOSOPHY ABOUT THAT. NONETHELESS, IT'S VERY CLEAR
23 TO ME THAT WHEN THAT HAPPENS, BECAUSE IT HAPPENS,
24 THAT YOU DEPRIORITIZE OTHER THINGS. YOU TAKE THE
25 PRIORITIZATION DOWN AND YOU STOP SOME PROJECTS.

BARRISTERS' REPORTING SERVICE

1 THEY JUST GET KILLED IS THE WORD THAT WE USE IN
2 INDUSTRY. AND THAT IS GOING TO HAPPEN. IT'S GOING
3 TO HAVE TO HAPPEN FOR SOME OF THESE PROJECTS IN
4 ORDER TO HAVE THE FINANCIAL WHEREWITHAL TO SUPPORT
5 THEM UNLESS THERE'S ANOTHER SOURCE OF FUNDING.

6 SO I'M GOING TO QUOTE, ELLEN, ONE MORE SET
7 OF FIGURES TO YOU. THIS IS FROM AN EXTERNAL
8 REFERENCE SOURCE. THESE ARE 2012 FIGURES THAT ARE
9 DERIVED, AGAIN, FROM A COMPOSITE OF PHARMACEUTICAL
10 AND BIOTECH COMPANIES. SO PHASE I CLINICAL TRIAL
11 COSTS ARE ON THE AVERAGE 21.9 MILLION. AND IF WE
12 HAD TO COMPLETELY FUND, AND I KNOW WE WANT OTHERS TO
13 FUND, SO I DON'T QUITE KNOW WHERE ALL THAT STANDS,
14 BUT ALL EIGHT OF THE PROJECTS, IF WE MOVED EIGHT
15 FORWARD AND WE HAD TO PAY FOR ALL OF THEM, AND I
16 UNDERSTAND THERE'S SOME FUNDING ON THE TABLE
17 ALREADY, BUT PUTTING THAT ASIDE, WE'RE TALKING ABOUT
18 \$175 MILLION.

19 AND THEN WE SAY, OKAY, TWO FALL BY THE
20 WAYSIDE BECAUSE THERE'S A 75-PERCENT SUCCESS RATE
21 OUT OF PHASE II. SO WE'VE NOW GOT SIX OF THESE
22 PROJECTS TO MOVE FORWARD WITH REGARD TO THE PHASE
23 II, AND WE'RE GOING ALL THE WAY TO THE END OF PHASE
24 II TO SEE IF THERE'S A PROOF OF CONCEPT. NOW, WE'RE
25 TALKING BETWEEN THE TWO IN THE NEIGHBORHOOD OF

BARRISTERS' REPORTING SERVICE

1 AROUND \$400 MILLION THAT SOMEBODY IS GOING TO HAVE
2 TO COME UP WITH TO GET TO THE END OF PHASE II ON
3 SEVEN PROJECTS OR SIX PROJECTS HAVING STARTED WITH
4 EIGHT. SO THOSE ARE KIND OF -- AND SO IF WE WERE TO
5 HAVE TO PAY ALL THAT OURSELVES, I'M NOT SUGGESTING
6 THAT WE WERE, THAT'S A LOT OF KILL PROJECTS ON THE
7 OTHER SIDE.

8 ANYWAY, WE CAN'T PREDICT EXACTLY WHERE ALL
9 THIS IS GOING TO GO, BUT I JUST THINK IT WOULD BE A
10 MISTAKE FOR US TO BELIEVE AT THE END OF THE DAY THAT
11 THERE ARE JUST SOME PROJECTS THAT TURN OUT TO BE
12 GOOD PROJECTS FROM A LONGER TERM POINT OF VIEW. AND
13 THEY MAY MEET REALLY DIFFICULT UNMET MEDICAL NEEDS,
14 BUT THEY'RE SO FAR OUT THERE AND IT'S SUCH A LONG
15 PATH, AND WE JUST -- IT ISN'T -- THE MONEY ISN'T
16 GOING TO BE THERE FOR THEM BECAUSE WE'RE GOING TO
17 FOCUS ON THE NEARER TERM POTENTIAL SUCCESSES.

18 IT'S JUST SOMETHING YOU HAVE TO RECONCILE
19 WITH YOURSELF IF YOU ARE GOING TO DO PRIORITIZATION.
20 AT LEAST I FEEL THAT WAY.

21 DR. FEIGAL: I GUESS THE THING AND IT'S
22 PARTLY A PROBLEM OF NOT GOING TO THE SUBSEQUENT
23 SLIDES THAT ACTUALLY TALK ABOUT WHAT ARE THE THINGS
24 THAT WOULD BE IMPORTANT TO LOOK AT FOR THESE
25 PROJECTS, AND IT'S NOT NECESSARILY DO THEY HAVE AN

BARRISTERS' REPORTING SERVICE

1 IND FILED. IT MAY BE IT'S NEAR TERM, BUT IT MAY BE
2 THE SCIENCE IS REALLY COMPELLING. THEY'RE GOING
3 INTO A THERAPEUTIC AREA WHERE THEY CAN CONDUCT A
4 CLINICAL TRIAL WITH A RELATIVELY SMALL NUMBER OF
5 PATIENTS AND HAVE A BIOMARKER TO LOOK AT.

6 DO THEY ACTUALLY HAVE A DEVELOPMENT PLAN
7 BESIDES JUST THE FIRST IN HUMAN TO SHOW THAT THEY'RE
8 REALLY THINKING THROUGH THE ISSUES OF WHERE THEY
9 NEED TO GO? AND ALSO FOR THE PHASE I TRIALS, THAT'S
10 MONEY THAT CIRM HAS ALREADY COMMITTED TO EVERY
11 SINGLE PROJECT THAT MIGHT BE IN THE DENOMINATOR.
12 THAT'S ALREADY PART OF WHAT CIRM IS ALLOCATING. IT
13 WOULD ONLY BE ANY ADDITIONAL DOLLARS THAT COME UP OR
14 SHOULD THEY NEED IT TO GO TO PHASE II.

15 SO I DO WANT TO MAKE THAT CLEAR, THAT
16 WE'RE GOING TO BE TERMINATING PROJECTS BY THE SAME
17 CRITERIA WE ALWAYS HAVE WITH MILESTONE SETTING.
18 WE'RE NOT GOING TO SHUT THEM OFF FOR BUSINESS
19 REASONS, SO TO SPEAK. IF WE ACTUALLY ALLOCATED
20 DOLLARS TO THEM, WE'RE GOING TO HANDLE THEM LIKE WE
21 HAVE OTHER DISEASE PROJECTS IN TERMS OF LOOKING AT
22 MILESTONES AND ARE THEY MEETING CRITERIA. WE'RE NOT
23 GOING TO BE STOPPING THEM BECAUSE WE RAN OUT OF
24 MONEY.

25 DR. JUELSGAARD: NO. THE POINT I'M

BARRISTERS' REPORTING SERVICE

1 MAKING, ELLEN, IS SO THEY REACH WHATEVER END POINT
2 IT IS ON THE FIRST GRANT OF MONEY, AND SO THEY COME
3 BACK. AND IT'S VERY PROMISING ALL THE THINGS
4 THEY'VE DONE, ETC. THEY COME BACK AND THEY SAY,
5 OKAY, NOW WE WANT TO TAKE THE NEXT STEP. WE WANT TO
6 GO FORWARD AND WE'RE APPLYING FOR A GRANT OF, PICK
7 THE NUMBER, WHATEVER IT IS. WE'RE GOING TO BE IN A
8 POSITION, I JUST WANT TO BE VERY CLEAR ABOUT THIS,
9 IN A NUMBER OF CASES OF SAYING, YOU KNOW, YOU GUYS
10 ARE WONDERFUL. YOU'VE DONE WONDERFUL WORK. THIS IS
11 A VERY NEEDY AREA, BUT YOU KNOW WHAT. WE JUST DON'T
12 HAVE THE MONEY TO SAY YES TO YOU. WE'RE GOING TO
13 GET TO THAT POINT.

14 DR. FEIGAL: WE'RE AT IT NOW.

15 CHAIRMAN THOMAS: ELLEN, UNDERSTANDING
16 THAT WE'VE FUNDED TO A SIGNIFICANT DEGREE ALL OF
17 THESE PROJECTS, IF YOU TAKE -- WHEN I ASKED EARLIER
18 THAT 200-MILLION FIGURE, IF YOU SORT OF VIEW THAT IN
19 THE PRISM OF MR. JUELSGAARD'S COMMENTS ABOUT HOW
20 MUCH IT TAKES TO GET THROUGH PHASE I AND PHASE II,
21 UNDERSTANDING THAT WE'VE ALREADY PUT SOME MONEY
22 THROUGH THE END OF PHASE I OR WHATEVER WITH RESPECT,
23 DOES YOUR 200-MILLION FIGURE JIVE WITH THE NUMBERS
24 MR. JUELSGAARD JUST LAID OUT?

25 DR. FEIGAL: IT'S AN AVERAGE. SINCE WE'RE

BARRISTERS' REPORTING SERVICE

1 NOT -- WE'RE TALKING ABOUT THE THEORETICAL NOW
2 BECAUSE IT'S GOING TO DEPEND ON THE PARTICULAR
3 PROJECT THAT WE'RE TALKING ABOUT, THE NUMBER OF
4 PROJECTS, THE THERAPEUTIC AREA, HOW FREQUENTLY
5 THINGS NEED TO BE MONITORED, WHAT ADDITIONAL THINGS
6 MIGHT NEED TO BE DONE ON THEIR SPECIFIC PROJECT, BUT
7 IT'S AN AVERAGE DOLLAR AMOUNT. IT'S AN AVERAGE OF
8 WHAT IT COULD COST TO DO, IF NEEDED, A PHASE II
9 TRIAL. SO WE'RE ESTIMATING IF YOU DO EIGHT
10 PROJECTS, AND YOU'LL SAY IT'S UNDER, BUT WE'RE NOT
11 ANTICIPATING ALL OF THEM WILL FINISH, IS 25 MILLION,
12 AND AN ESTIMATE FOR SIX AT 33 MILLION.

13 I SHOULD SAY FOR MANY OF THE PROJECTS,
14 EVEN THOUGH THE SCIENTIFIC ADVISORY BOARD SAID DON'T
15 IMPEDE THEM, THAT DIDN'T MEAN DON'T LET THEM HAVE
16 LEVERAGED FUNDING. AND MANY OF THEM HAVE LEVERAGED
17 FUNDING. SEVERAL OF THE THINGS YOU'LL HEAR ABOUT
18 TOMORROW DO HAVE LEVERAGED FUNDING. AND SO WHAT I'M
19 SAYING IS WHAT THE SCIENTIFIC ADVISORY BOARD SAID,
20 DON'T IMPEDE THEM IF THEY CAN'T GET LEVERAGED
21 FUNDING. BUT MANY OF THEM HAVE BEEN SUCCESSFUL IN
22 GETTING THAT LEVERAGED FUNDING. SO WE ARE TAKING
23 THOSE ASSUMPTIONS INTO ACCOUNT AS WELL.

24 CHAIRMAN THOMAS: AGAIN, THE QUESTION IS,
25 UNDERSTANDING IT'S AN AVERAGE, ETC., DO THE NUMBERS

BARRISTERS' REPORTING SERVICE

1 MATCH UP? ARE YOUR ASSUMPTIONS THE SAME AS THE
2 NUMBERS THAT MR. JUELSGAARD LAID OUT?

3 DR. FEIGAL: I THINK THE NUMBERS FROM
4 LARGE PHARMA AND LARGE BIOTECH ARE LARGER AND DON'T
5 NECESSARILY EXACTLY LINE UP, BUT I THINK SOME OF THE
6 THINGS WE'RE TRYING TO DO IS MORE COMPACT CLINICAL
7 TRIALS. THERE MAY BE DIFFERENT END POINTS THAT ARE
8 DIFFERENT FOR THESE CLINICAL TRIALS THAN FOR THE
9 TYPICAL SMALL MOLECULE OR BIOLOGIC. SO I THINK
10 CONTINUED WITH WHAT CIRM CAN PUT IN PLUS WHAT WE
11 KNOW THEY CAN DO WITH LEVERAGED FUNDING, WE THINK
12 IT'S AN ACCURATE ESTIMATE.

13 CHAIRMAN THOMAS: DR. TROUNSON.

14 DR. TROUNSON: I JUST WANT TO MAKE THE
15 POINT. IF THE PROJECTS ARE MOVING THROUGH PHASE I,
16 WHY WOULDN'T YOU WANT TO TAKE THEM TO PHASE II TO
17 PROVE THAT THEY WORK? THAT TO ME KIND OF IS WHAT
18 WE'RE ABOUT. IF YOU LEAVE THEM AT THE END OF PHASE
19 I BECAUSE YOU'VE RUN OUT OF MONEY OR YOU DON'T WANT
20 TO DO IT, THEY'LL DIE BECAUSE WE KNOW, FROM ALL THE
21 INPUTS THAT WE'VE GOT FROM EXTERNAL FUNDERS, THAT
22 THEY WANT TO SEE THEM AS CLOSE AS YOU CAN GET TO
23 PHASE II PROOF OF CONCEPT. IF THEY GET THERE, THEN
24 THEY'RE VERY LIKELY TO BE PICKED UP BY INDUSTRY AND
25 TAKEN ON. AND SO THIS WILL -- THIS IS A DRAW WHICH

BARRISTERS' REPORTING SERVICE

1 WILL MAKE CIRM SUCCESSFUL. THEY'LL START LOOKING
2 BACK AND SEE WHAT ELSE YOU GOT THERE AND COME ON
3 BOARD.

4 IF YOU DON'T PUT THE FUNDING THERE TO TAKE
5 THEM THROUGH PHASE II, THEY'LL DIE. ESSENTIALLY
6 THAT'S WHAT THEY'LL SAY TO US. THEY WON'T MAKE IT
7 EXCEPT IF THEY'RE ABLE TO FUND THEMSELVES. EVERYONE
8 TELLS US THIS IS A REALLY HARD PART. THIS IS THE
9 VALLEY OF DEATH. THIS IS WHERE IT'S SITTING. SO
10 WHY WOULDN'T WE WANT TO DO THAT FOR THE PROJECTS
11 WHICH ARE ACTUALLY MOVING BEAUTIFULLY AND HEADING
12 FOR THAT GOAL? THIS IS WHAT CIRM IS ABOUT. I DON'T
13 GET IT.

14 THOSE ONES, EVEN IF IT'S FOUR OF THEM OR
15 FIVE OF THEM, LET'S SAY THREE DON'T MAKE IT FOR
16 WHATEVER REASON, YOU'D WANT TO TAKE THEM IN. YOU'D
17 WANT TO SEE A PROOF OF CONCEPT BECAUSE YOU'VE WON.
18 YOU'VE WON THE DEAL. SO I THINK YOU NEED TO SET IT
19 ASIDE AND NOT STOP THOSE PROJECTS AT PHASE I OR
20 SOMETHING EARLIER BECAUSE YOU LOST. I THINK IT'S SO
21 IMPORTANT TO WIN ON SOME OF THESE BECAUSE THAT'S
22 WHAT YOUR WHOLE REPUTATION IS ABOUT. AND THIS IS
23 WHAT WILL DRAW MORE OF THAT COLLATERAL FUNDING INTO
24 THE ORGANIZATION BECAUSE THEY'RE GOING, THEY'RE
25 GOING, THEY'VE GOT PROOF OF CONCEPT. LET'S LOOK AT

BARRISTERS' REPORTING SERVICE

1 MORE OF THEM, MORE OF THEM.

2 THAT'S WHAT ALL OUR ADVISORS AND THE
3 PEOPLE I TALK TO ARE TELLING US. YOU GET THEM TO
4 PHASE II, WE'LL COME AND FUND THEM, OR WE'RE VERY
5 LIKELY TO WANT TO BE INTERESTED IN FUNDING THEM. SO
6 I JUST THINK IT'S REALLY IMPORTANT TO THINK IN YOUR
7 MIND THOSE PROJECTS OUGHT TO BE TAKEN THROUGH TO
8 PROOF OF CONCEPT AS BEST YOU CAN OR YOU LOST. I
9 DON'T THINK I WANT TO BE PART OF A LOST TEAM. I
10 WANT TO BE PART OF A WIN TEAM.

11 CHAIRMAN THOMAS: WE'VE GOT A BUNCH OF
12 COMMENTS. MR. SHEEHY, ANNE-MARIE. ANNE-MARIE WAS
13 FIRST? ANNE-MARIE, MR. SHEEHY, DR. STEWARD, SHERRY.

14 DR. DULIEGE: THANK YOU, JON. I DIDN'T
15 KNOW IF I WOULD EVER GET THERE. SO I TOOK NOTES OF
16 BOTH OF MY COMMENTS AND I WILL TRY TO SUMMARIZE IT
17 IN THREE POINTS VERY RAPIDLY.

18 FIRST OF ALL, IS IT THE CASE THAT THIS
19 PRIORITIZATION, WE'RE PROVIDING PROBABLY MORE
20 ADVICES, NOT MORE MONEY? I DON'T THINK IT'S THAT
21 EXPENSIVE. THAT RIGHT? HOW MUCH MONEY DO YOU THINK
22 ULTIMATELY THAT MEANS?

23 DR. FEIGAL: MY LAST SLIDE GETS TO THE SET
24 ASIDE OF 200 MILLION SHOULD THEY NEED ADDITIONAL
25 TRIAL. BUT THE MAIN THING IS WHETHER OR NOT, ONE,

BARRISTERS' REPORTING SERVICE

1 THEY GET THERE, THAT THEY SHOULD NEED IT. WE THINK
2 IT'S GOING TO BE -- WE HOPE IT COULD BE A LARGER
3 NUMBER, BUT AT A MINIMUM WE WANT TO MAKE SURE
4 THERE'S SOME MONEY THERE SO THAT IF THEY GET THROUGH
5 THE PHASE I AND THEY HAVE SOME GOOD SAFETY
6 INFORMATION AND MAYBE SOME INTERESTING BIOLOGIC
7 ACTIVITY, WE CAN TAKE THEM TO THAT NEXT STUDY.

8 DR. DULIEGE: UNDERSTAND. ONE THING ABOUT
9 THAT, BY THE WAY, IN THAT 200 MILLION INCLUDING
10 MONEY FOR PHASE II, HOW MANY -- ROUGHLY HOW MANY
11 PROJECTS DID YOU INCLUDE IN IT?

12 DR. FEIGAL: SIX TO EIGHT.

13 DR. DULIEGE: FOR ONE THING, IT SOUNDS
14 HIGHLY IMPROBABLE THAT IF WE HAVE EIGHT PROJECTS IN
15 PHASE I, WE'LL HAVE SIX TO EIGHT PROJECTS IN PHASE
16 II, AND WE COULD REDUCE THAT AMOUNT OF MONEY BECAUSE
17 REALISTICALLY IF THERE'S AT LEAST EVEN FOUR PROJECTS
18 THAT DO A PHASE II TRIAL WILL BE INCREDIBLY GOOD AND
19 LUCKY AT THE SAME TIME. SO THAT'S ONE THING FOR THE
20 MONEY.

21 SECOND, I'M A LITTLE SURPRISED ABOUT THIS
22 DEBATE ABOUT PRIORITIZATION YES OR NO. FOR ONE
23 THING, PRIORITIZATION IS A FACT OF OUR LIFE. WE ALL
24 PRIORITIZE OUR LIFE, WE PRIORITIZE OUR WORK, WE
25 PRIORITIZE EVERYTHING. AND CIRM HAS BEEN

BARRISTERS' REPORTING SERVICE

1 PRIORITIZING FROM THE GET-GO. SO, YES, OF COURSE,
2 WE SHOULD PRIORITIZE THESE MOST ADVANCED PROJECTS,
3 THE SIX TO EIGHT OR WHATEVER IT BECOMES BASED ON
4 YOUR RESULTS, AND THAT DOESN'T MEAN THAT THE REST OF
5 THE PROJECTS ARE STOPPED. IN FACT, IT'S CLEAR IN
6 THE BUDGET THAT WE MAY REDUCE A LITTLE BIT SOME OF
7 THE BASIC RESEARCH POSSIBLY, BUT OTHER THAN THAT,
8 OTHER PROJECTS COMING FROM EARLY TRANSLATIONAL TO
9 PRE-IND WILL CONTINUE TO BE LOOKED AT CAREFULLY AND
10 FUNDED.

11 SO I DON'T NECESSARILY SEE THAT AS A
12 DILEMMA. IT'S PART OF OUR LIFE, AND WE HAVE TO
13 CLARIFY HOW WE PRIORITIZE THINGS AND ON WHICH
14 CRITERIA.

15 AND FINALLY, GETTING TO THE OTHER SOURCES
16 OF MONEY DOWN THE ROAD, I'M AN OPTIMISTIC HERE AND
17 I'M SURE OTHERS ARE. IF NOT, WE WOULDN'T BE HERE
18 REALLY AROUND THIS TABLE. IS THAT AT SOME POINT IN
19 THE NEXT COMING TWO TO THREE YEARS, THERE WILL BE
20 OTHER SOURCES OF FUNDING THAT OTHER PEOPLE WILL
21 FIND, SO I DON'T WORRY TOO MUCH ABOUT THE FUTURE.

22 CHAIRMAN THOMAS: THANK YOU.

23 MR. SHEEHY: I GUESS I KIND OF TAKE A
24 DIFFERENT VIEW. I DO THINK REALISTICALLY WE HAVE A
25 FUNDAMENTAL DECISION BEFORE US, HONESTLY, BECAUSE I

BARRISTERS' REPORTING SERVICE

1 THINK -- I DON'T THINK MR. JUELSGAARD'S NUMBERS ARE
2 OFF BY MUCH. WE NEED -- IF OUR GOAL IS, AND I THINK
3 ALAN JUST ARTICULATED A VERY STRONG ARGUMENT, DR.
4 TROUNSON, FOR ACTUALLY GETTING THROUGH PHASE II. IF
5 THAT'S THE GOAL, IF THAT'S WHY PROP 71 WAS PASSED,
6 IF THAT'S THE COMMITMENT WE MADE TO THE VOTERS OF
7 CALIFORNIA, THEN WE NEED TO MAKE SURE THAT THERE'S
8 ADEQUATE AMOUNT OF MONEY IN ORDER TO GET ENOUGH
9 PROJECTS THROUGH THE MOST EXPENSIVE PHASE OF THE
10 PROCESS OR WE'RE NOT -- WE'RE GOING TO BE LOOKING AT
11 THE VOTERS AND SAYING WE DIDN'T GET THERE IF THAT'S
12 OUR GOAL.

13 IF OUR GOAL, AS DR. HAWGOOD ARTICULATED,
14 WAS TO BUILD THE STRONGEST POSSIBLE FOUNDATION FOR
15 THIS NEW, EMERGING FIELD OF MEDICINE, THEN WE CAN
16 TAKE A MUCH MORE BALANCED APPROACH. BUT I THINK
17 THOSE ARE TWO FUNDAMENTALLY DIFFERENT OBJECTIVES.
18 TO SAY WE CAN DO BOTH IS SIMPLY FANTASY. AND TO
19 BASE IT ON THE IDEA THAT WE ARE GOING TO GET MORE
20 MONEY, THAT'S FINE, BUT LET'S BE CLEAR THAT THAT'S
21 WHAT WE'RE DOING, THAT WE'RE HOPING MORE MONEY COMES
22 IN. BUT WE'RE GOING TO BE SACRIFICING IN SOME WAY
23 ONE OF THOSE TWO OBJECTIVES IF WE DO DECIDE THAT
24 WE'RE BASING IT ON NEW MONEY AND IF WE CHOOSE NOT TO
25 DECIDE. I JUST THINK WE SHOULD DECIDE AT SOME POINT

BARRISTERS' REPORTING SERVICE

1 WHICH OF THOSE TWO WAYS WE WANT TO GO. I THINK IT'S
2 FAIR, AND I THINK THAT'S WHY WE HAVE OUR ROLES.

3 DR. DULIEGE: IF YOU DON'T MIND, I'D LIKE
4 TO RESPOND TO THAT. I COMPLETELY AGREE WITH WHAT
5 WAS SAID, INCLUDING STEVE. IT'S A FACT OF INDUSTRY
6 IN GENERAL AND RESEARCH AT LARGE. BUT I GUARANTEE
7 YOU THAT OUT OF EIGHT PROJECTS, THERE'S NOT GOING TO
8 BE EIGHT PROJECTS GOING TO PHASE II. SO WE
9 PRIORITIZE, BUT WE ALSO ANTICIPATE A MOST LIKELY
10 BUDGET. AND I WOULDN'T ANTICIPATE EIGHT PROJECTS
11 GOING TO PHASE II. FOUR IF WE'RE REALLY GREAT.

12 SECOND, CLARIFY TO ME IN DOING SO WHAT WE
13 WILL LEAVE ASIDE. WHAT WILL WE LEAVE ASIDE OTHER
14 THAN MAYBE LIMITING A LITTLE BIT THE RESEARCH IN
15 BASIC SCIENCE?

16 MR. SHEEHY: FIRST OF ALL, I THINK WE NEED
17 TO LEAVE BACK MORE MONEY. I DON'T THINK WE NEED TO
18 THINK ABOUT THOSE EIGHT PROJECTS AS BEING THE BE ALL
19 AND END ALL. WE ACTUALLY HAVE 23 PROJECTS THAT
20 COULD POTENTIALLY BECOME THOSE SIX TO EIGHT THAT
21 CREDIBLY MAKE IT INTO PHASE II THAT CAN GIVE US THE
22 PROOF OF CONCEPT TO JUSTIFY THE EXISTENCE OF THIS
23 AGENCY. I THINK WE NEED TO HAVE ENOUGH MONEY PUT
24 BACK FOR THAT.

25 AND I THINK WE NEED TO LOOK AT EVERYTHING.

BARRISTERS' REPORTING SERVICE

1 I MEAN WE HAVE BASICALLY \$900 MILLION THAT HASN'T
2 GONE OUT. STEVE TALKS ABOUT ABOUT ROUGHLY HALF OF
3 THAT OR CLOSE TO HALF OF THAT BEING NECESSARY TO GET
4 PROJECTS THROUGH PHASE II. SO I JUST -- TO ME IT'S
5 A QUESTION. DO WE WANT TO PUT ALL OF OUR ENERGY
6 INTO TRYING TO TAKE PROJECTS THAT WE'VE DEVELOPED
7 INTO A VERY LATE STAGE OF DEVELOPMENT AND GETTING AS
8 MANY OF THEM AS WE POSSIBLY CAN IN THE MOST
9 EFFECTIVE, EFFICIENT WAY THROUGH PHASE II, OR DO WE
10 WANT TO CONTINUE TO SUSTAIN AND MAINTAIN THIS
11 FOUNDATION WE DID? AND WE'LL CONTINUE TO FUND THESE
12 LATE STAGE PROJECTS IN SOME FASHION. AND MAYBE SOME
13 OF THEM WILL MAKE IT. MAYBE SOME OF THEM WILL GET
14 THROUGH THAT'LL HAVE SOME REALLY INTERESTING
15 FINDINGS, AND THEY'LL GET PICKED UP BY OTHER PEOPLE.
16 WE'LL GET PARTNERS AND THE FUNDING WILL COME.

17 BUT I JUST -- I THINK AT SOME POINT WE
18 HAVE TO REALIZE THAT THE MONEY IS RUNNING OUT AND
19 MAKE THAT DECISION MYSELF AND WHAT WE WANT TO
20 ACHIEVE.

21 DR. FEIGAL: I JUST WANT TO MAKE IT CLEAR
22 THAT 200 MILLION WAS JUST FOR POSSIBLY THE SUCCESS
23 RATE FROM SIX TO EIGHT GETTING TO PHASE II. WE HAVE
24 ANOTHER 260, A TOTAL OF 460 THAT IS FOR THOSE LATER
25 BLOOMERS OR PEOPLE WHO SUCCEED A LITTLE BIT SLOWER

BARRISTERS' REPORTING SERVICE

1 THAN THE OTHER ONES. SO WE'RE NOT PUTTING ALL OF
2 OUR EGGS INTO THE SIX TO EIGHT PROJECTS. WE DO HAVE
3 OTHER DEVELOPMENTAL FUNDS TO TAKE THOSE OTHER
4 PROJECTS THAT CAN BE SUCCESSFUL THROUGH. WE DON'T
5 ANTICIPATE ALL A HUNDRED PERCENT ARE GOING TO BE
6 SUCCESSFUL.

7 MR. SHEEHY: THAT WOULD BE IF WE RESERVE
8 THAT MONEY. THAT'S ONE WAY OF PRIORITIZATION IS
9 BASICALLY TO SAY WE'RE GOING TO RESERVE OUR
10 DEVELOPMENT MONEY FOR PROJECTS THAT ARE ALREADY IN
11 THE PIPELINE. BUT THERE HAS TO BE SOME CHOICES. WE
12 CAN'T CONTINUE TO FUND NEW PROJECTS, ESPECIALLY ONES
13 THAT HAVEN'T BEEN IN OUR PIPELINE, AND THINK THAT
14 WE'RE GOING TO BE ABLE TO FUND THE PROJECTS IN OUR
15 PIPELINE AND BE ABLE TO SUSTAIN THE BASE THAT WE
16 DEVELOPED. WE HAVE TO START THINKING REALISTICALLY
17 WHAT THAT MEANS. AND IF WE'RE TALKING ABOUT
18 SUSTAINING OUR FOUNDATION, WHAT ARE THE PROGRAMS WE
19 NEED TO SUSTAIN OUR FOUNDATION, AND HOW LONG DO WE
20 NEED TO KEEP THEM, RIGHT, OVER WHAT TIME FRAME?
21 THESE ARE ALL CORE DECISIONS, AND WE'RE JUST BURNING
22 THROUGH MONEY LIKE CRAZY.

23 DR. STEWARD: I WAS GOING TO DEFER TO
24 SHERRY, BUT I WANT TO REALLY MAKE A POINT TO SORT OF
25 ANSWER A COUPLE OF THINGS THAT HAVE COME UP. I'M

BARRISTERS' REPORTING SERVICE

1 SORRY, SHERRY. I ALWAYS WANT TO HEAR YOU RATHER
2 THAN ME.

3 SO WE'VE TALKED ABOUT HOW MUCH THESE EIGHT
4 WOULD COST TO TAKE IT FORWARD, AND THAT NUMBER IS
5 ONE THING. TWO HUNDRED MILLION, WE'RE GOING TO SET
6 THAT ASIDE. HOW MANY BASIC RESEARCH GRANTS WOULD
7 THAT MEAN? WELL, IF THEY WERE NIH-SIZE GRANTS, A
8 MILLION TWO IS A BASIC GRANT AT NIH, ADD ON THE
9 OVERHEAD, YOU'RE TALKING ABOUT TWO MILLION PER
10 GRANT. SO WE'RE TALKING ABOUT A HUNDRED BASIC
11 SCIENCE GRANTS IF WE FUNDED LIKE NIH. WE FUND MORE
12 THAN THAT. SO YOU'D GET MAYBE 50 BASIC SCIENCE
13 GRANTS IF WE USE THAT FOR JUST THE BASIC RESEARCH,
14 BASIC BIOLOGY.

15 IF WE WERE TALKING ABOUT EARLY
16 TRANSLATION, THOSE ARE PROBABLY AROUND \$5 MILLION A
17 YEAR. SO THAT'S 40 EARLY TRANSLATION GRANTS. YOU
18 CAN DO THESE CALCULATIONS. AND THE POINT IS IF WE
19 SET \$200 MILLION ASIDE, IT DOES IMPACT OUR ABILITY
20 TO DO OTHER THINGS, PERIOD.

21 SO MY POINT IS IT REALLY DEPENDS ON WHAT
22 YOU BELIEVE ABOUT WHERE WE ARE. DO YOU REALLY THINK
23 THAT THE ONES THAT WE HAVE GOING FORWARD, ARE THESE
24 THE THINGS THAT ARE GOING TO BE THE BE ALL, END ALL
25 PROJECTS, OR ARE WE YET TO DISCOVER THE THINGS THAT

BARRISTERS' REPORTING SERVICE

1 ARE GOING TO BE THE HUGE IMPACTS? I THINK THAT
2 THERE ARE MANY THINGS THAT ARE IN THE CHURNING STAGE
3 RIGHT NOW THAT ARE GOING TO REALLY HAVE A HUGE
4 IMPACT, AND WE'RE GOING TO CUT SOME OF THOSE OFF.

5 DR. FEIGAL: AND I DO JUST WANT TO CLARIFY
6 BECAUSE I'M NOT SURE IF WE'VE BEEN CLEAR. THE
7 SCENARIO 1 FROM THE MAY 2012 STRATEGIC PLAN, YOU
8 COULD SEE WHAT WAS PUT THERE FOR BASIC SCIENCE, FOR
9 TRAINING, FOR EARLY TRANSLATION, FOR DEVELOPMENT.
10 WHAT WE WERE VERY CAREFUL TO DO, AND YOU CAN
11 DISAGREE, BUT WE WEREN'T DIPPING INTO BASIC SCIENCE,
12 WE WEREN'T DIPPING INTO TRAINING AND THINKING ABOUT
13 IT. WE WERE TAKING IT AMONG THE TRANSLATIONAL AND
14 DEVELOPMENT POT THAT WE HAD SAID STRATEGICALLY IS
15 WHAT WE WANTED TO DO WITH THE BALANCE OF BASIC
16 TRAINING AND EARLY TRANSLATION DEVELOPMENT.

17 SO I DO JUST WANT TO MAKE THAT CLEAR
18 BECAUSE IT KEEPS ON SOUNDING LIKE WE'RE CUTTING OFF
19 AN ARM TO DO SOMETHING. AND I DO WANT TO MAKE IT
20 CLEAR THIS IS ACTUALLY WE'RE TRYING TO DO A BALANCED
21 APPROACH HERE.

22 DR. STEWARD: BUT IT'S STILL LIMITING WHAT
23 WE CAN DO IN OTHER AREAS. YOU CAN DO THOSE NUMBERS
24 WITH THE LATE PHASE. I'M JUST SAYING.

25 MS. LANSING: WELL, I APOLOGIZE FOR

BARRISTERS' REPORTING SERVICE

1 MISSING THE VERY BEGINNING OF THE DISCUSSION. BUT
2 WHEN YOU ASK WHAT WE PROMISED THE VOTERS, WHICH IS
3 WHAT WE ARE SUPPOSED TO DELIVER, THE VOTERS ARE
4 COUNTING ON STEM CELL RESEARCH TO HELP CURE DISEASE.
5 THAT'S REALLY WHAT WE PROMISED THEM. SO THAT HAS TO
6 BE OUR HIGHEST PRIORITY. SO, THEREFORE, IT SEEMS TO
7 ME THAT ANYTHING THAT WE BELIEVE IS CLOSE TO
8 CLINICAL TRIALS, WE'VE BEEN IN EXISTENCE FOR A VERY
9 LONG TIME, NOT IN THE WORLD OF SCIENCE, BUT IN THE
10 WORLD OF A VOTER, AND UNLESS WE HAVE A HOME RUN IN
11 SOMETHING, I DON'T WANT TO BE NEGATIVE, BUT I THINK
12 IT WILL BE EXTREMELY DIFFICULT TO GET RENEWED
13 FUNDING.

14 SO I WOULD THINK THAT THE PRIORITY HAS TO
15 BE SOMETHING THAT IS CLOSE OR IN CLINICAL TRIALS
16 THAT WE BELIEVE CAN STRIKE SOME SORT OF A HOME RUN.

17 IN TERMS -- SO TO ME THAT'S THE HIGHEST
18 PRIORITY, WITHOUT A DOUBT, AND ANYTHING THAT TAKES
19 AWAY FROM THAT, I THINK, IS A MISTAKE.

20 WHEN YOU GO BACK TO BASIC SCIENCE AND
21 THINGS THAT ARE FARTHER BACK, WHAT I'M A LITTLE
22 CONFUSED ABOUT, BECAUSE I KNOW WE DO THIS, IS WE
23 HAVE DELIVERABLES, SO TO SPEAK. YOU CAN STOP THEM
24 AT A CERTAIN POINT. SO NOT EVERYTHING THAT'S IN AN
25 EARLY STAGE WOULD NECESSARILY MAKE IT THROUGH. SO

BARRISTERS' REPORTING SERVICE

1 THAT I HAVE TO DEFER TO THE SCIENTISTS TO SAY, WAIT
2 A MINUTE, THIS LOOKED LIKE A GOOD IDEA ON PAPER. IT
3 LOOKED LIKE A GOOD IDEA FOR THE FIRST SIX OR EIGHT
4 MONTHS AND WE'RE CUTTING OFF THE FUNDING. I THINK
5 IT'S TIME FOR US TO BE BRUTAL BECAUSE WE HAVE A
6 LIMITED AMOUNT OF MONEY. AND IF WE DON'T DELIVER
7 SOMETHING IN CLINICAL TRIALS THAT HELPS PATIENTS
8 LIVE LONGER OR SAVES LIVES, THAT WAS OUR PROMISE TO
9 THE VOTERS.

10 MS. WINOKUR: I'D LIKE TO FOLLOW UP ON
11 WHAT SHERRY HAS SAID AND JEFF SAID A LITTLE EARLIER
12 IN A DIFFERENT WAY. AND THAT IS THAT WHEN I THINK
13 OF THE CALIFORNIA VOTERS WHO PASSED THIS, IN SPITE
14 OF ALL OF THE PROPAGANDA AGAINST IT, THEY DID HAVE
15 HIGH EXPECTATIONS, SOMEWHAT UNREALISTIC, BUT WE CAN
16 PRODUCE THINGS THAT WILL MAKE THEM COMFORTABLE ABOUT
17 HAVING GIVEN US THIS AMOUNT OF MONEY. WHETHER OR
18 NOT WE GET FUTURE MONEY OR NOT, WE HAVE TO CONSIDER
19 THAT THIS IS THE END OF PROP 71 FUNDING THAT WE'RE
20 DEALING WITH. AND WE OWE SOMETHING TO THE
21 CONSTITUENCY THAT MADE IT POSSIBLE.

22 DR. FINE: THE DISCUSSION THUS FAR SEEMS
23 TO HAVE MADE THE ASSUMPTION THAT WE'RE GOING TO TAKE
24 200 MILLION AND CHOP IT INTO SIX OR EIGHT SEGMENTS.
25 BUT MANY OF THESE LEADING PROJECTS HAVE GOT VERY

BARRISTERS' REPORTING SERVICE

1 SOPHISTICATED CLINICAL INFRASTRUCTURES BEHIND THEM
2 ALREADY. AND WHAT IS ESSENTIALLY A VERY COSTLY
3 HAND-HOLDING EXERCISE, BECAUSE THIS IS WHAT THIS
4 REALLY IS, MAY NOT NEED -- TO ME 200 MILLION IS A
5 LARGE NUMBER WHEN WE HEAR ALL THE OTHER THINGS THAT
6 POSSIBLY COULD BE USED FOR. SO THE QUESTION IS TO
7 WHAT EXTENT CAN THAT BE TRIMMED DOWN TO A HUNDRED
8 MILLION? IN OTHER WORDS, THE HOME RUN IS IMPORTANT.
9 MAYBE THE HAND HOLDING IS VERY IMPORTANT TO A SMALL
10 NUMBER, BUT NOT TO ALL. AND MAYBE THE NUMBER THAT
11 WE'RE TALKING ABOUT IS LARGER THAN IT NEEDS TO BE.

12 DR. FEIGAL: WELL, IT'S INTERESTING. I'VE
13 HEARD ON ONE HAND IT'S NOT ENOUGH, ON ANOTHER MAYBE
14 IT'S TOO MUCH. MAYBE THAT MEANS WE'RE JUST ABOUT
15 RIGHT. BUT I THINK THE POINT IS, WHAT I TRIED TO
16 GET ACROSS ON WHY WE THINK IT'S SO IMPORTANT, IT'S
17 NOT BEING DISMISSIVE OF EVERYTHING ELSE WE'RE DOING,
18 THE BASIC, THE TRAINING, THE EARLY; BUT THE POINT IS
19 IF WE WANT TO BE SUSTAINABLE, IF THERE'S A POTENTIAL
20 TO BE SUSTAINABLE, WHAT WE THINK AND WHAT THE
21 SCIENTIFIC ADVISORY BOARD THINKS, AND I THINK WHAT
22 SOME OF YOU THINK IS THAT WE HAVE TO SHOW SOMETHING
23 THAT'S TANGIBLE PROOF OF EVIDENCE TO THE PATIENTS
24 AND TO THE PUBLIC WHO PUT THIS AGENCY INTO
25 EXISTENCE.

BARRISTERS' REPORTING SERVICE

1 AND WE ALSO THINK IT'S AN IMPORTANT
2 INFLECTION POINT IF WE WANT TO HAVE A GHOST OF A
3 CHANCE OF ATTRACTING INVESTORS OR COMPANIES TO TAKE
4 THESE PROJECTS AND MOVE THEM TOWARDS
5 COMMERCIALIZATION BECAUSE WE'RE NOT GOING TO BE ABLE
6 TO DO THAT. OUR PURSE IS NOT, OUR WALLET, WHATEVER,
7 IS NOT BIG ENOUGH TO TAKE IT FORWARD THROUGH ALL THE
8 WAY TO COMMERCIALIZATION.

9 SO WE SEE THIS AS NOT TO DISMISS
10 EVERYTHING ELSE THAT'S GOING ON, BUT WE'RE AT THAT
11 CRITICAL STAGE WHERE WE NEED TO MAKE AN IMPORTANT
12 DECISION AT THIS MEETING OR TOMORROW TO ACTUALLY SAY
13 ARE WE GOING TO MOVE THIS FORWARD AS A REAL PRIORITY
14 FOR THIS INSTITUTE. AND HOPEFULLY WE CAN ALL BE ON
15 THE SAME PAGE ABOUT WHAT IT IS WE'RE SUPPOSED TO BE
16 DOING. AMONG THE SCIENTIFIC STAFF, TALKING TO
17 SCIENTIFIC ADVISORY BOARD, THIS IS WHAT WE SEE AS A
18 REAL PRIORITY FOR THIS INSTITUTE.

19 MR. TORRES: THAT'S WELL SAID. HOWEVER,
20 MY BUSINESS HAS BEEN WINNING CAMPAIGNS AND SOMETIMES
21 LOSING THEM. AND WHAT I KNOW, THAT FOR THE MOST
22 PART, WHAT THE VOTERS ARE LOOKING FOR IS, NO. 1, BE
23 GREAT TO HAVE A HOME RUN. WE MAY NOT. BUT THEY
24 ALSO NEED TO KNOW THAT WE'VE BEEN DELIBERATIVE ABOUT
25 HOW WE SPEND THE REMAINING MONEY THAT WE HAVE

BARRISTERS' REPORTING SERVICE

1 BECAUSE THAT'S NOT AS STRONG A CASE AS THE WINNING
2 HOME RUN, BUT IT'S A VERY STRONG CASE TO SHOW THE
3 VOTERS THAT THIS IS WHERE WE'VE COME, WE'VE HAD VERY
4 SERIOUS DISCUSSIONS ABOUT BUDGETARY ISSUES, WE'VE
5 ELIMINATED SOME PROGRAMS THAT WE THOUGHT WE SHOULD
6 HAVE FUNDED OR VOTED TO FUND, AND NOW WE'RE TRYING
7 TO SHOW YOU, THE VOTERS, THAT WE MAY NOT HAVE
8 SOMETHING TODAY, BUT LOOK AT WHAT WE LAID DOWN AS A
9 FOUNDATION FOR THE FUTURE. GIVE US SOME MORE TIME.
10 WE NEED TO BE COGNIZANT OF THAT AS WELL.

11 DR. FEIGAL: I THINK THE OTHER THING THAT
12 YOU'RE NOT GOING TO BE HEARING ABOUT TODAY IS THE
13 ALPHA CLINICS, LAYING TOGETHER SOME FOUNDATION THAT
14 RELATES TO YOUR ISSUE ABOUT SUSTAINABILITY FOR THESE
15 CLINICAL TRIALS, THIS CLINICAL RESEARCH TO BE ABLE
16 TO GO FORWARD. SO THESE THINGS THAT WE'RE TRYING TO
17 MAP OUT ARE REALLY THINKING ABOUT WHAT ARE THE
18 DIFFERENT PIECES OF THE PUZZLE THAT ARE NEEDED FOR
19 SUSTAINABILITY.

20 CHAIRMAN THOMAS: WE HAVE SOME MORE
21 COMMENTS ON THIS, BUT I THINK WE COULD BE HERE ALL
22 DAY TALKING ABOUT THIS VERY CRITICAL ISSUE. I THINK
23 WE'VE HEARD A LOT, IF EVERYBODY WOULD BEAR WITH ME,
24 WE'VE HEARD A LOT ON BOTH SIDES OF TO PRIORITIZE OR
25 NOT. IN ORDER FOR US TO PROCEED, WE NEED TO -- I

BARRISTERS' REPORTING SERVICE

1 THINK I WOULD RECOMMEND THAT WE VOTE RIGHT NOW ON
2 THAT ISSUE. WE HAVEN'T EVEN GOTTEN PAST ELLEN'S
3 SLIDE 3, WHICH WE MAY NOT DEPENDING ON HOW THIS VOTE
4 GOES. BUT I WOULD PROPOSE THAT WE GET A SENSE OF
5 THE BOARD ON THE PRIORITY QUESTION.

6 MY PERSONAL TAKE ON THIS IS I HAPPEN TO
7 AGREE WITH ALAN. I THINK THAT IT BEHOOVES US TO TRY
8 TO ADVANCE WHAT LOOKS TO BE MOST PROMISING UNDER
9 STRICT CRITERIA AND GET THAT AS FAR ALONG AS WE CAN
10 AS A SIGN OF FAITH TO THOSE THAT ESTABLISHED THE
11 AGENCY IN THE FIRST PLACE. SO MY PERSONAL VOTE IS
12 WE PRIORITIZE.

13 DR. STEWARD: VERY QUICK, BUT I'M GOING TO
14 ASK FOR A LITTLE TINY BIT OF AN EXTENSION ON THE
15 DISCUSSION, IF I MAY. AND I WOULD LIKE TO HEAR
16 OTHER PEOPLE'S VIEWPOINT ON ONE KEY QUESTION. I'M A
17 PATIENT ADVOCATE ON THIS PANEL, AS EVERYBODY KNOWS.
18 AND I THINK THAT ALL OF THE PATIENT ADVOCATES ON
19 THIS PANEL ARE RATHER UNIQUE BECAUSE WHAT WE LOOK AT
20 IS NOT BEING A PATIENT ADVOCATE FOR SPINAL CORD
21 INJURY OR HIV/AIDS. WE ARE REALLY PATIENT ADVOCATES
22 FOR ALL THE DIFFERENT DISEASES AND DISORDERS. AND
23 AS SUCH WE OFTEN ARE PUSHING THINGS THAT ARE SORT OF
24 UNRELATED TO WHAT WE'RE SUPPOSED TO BE ADVOCATING
25 INDIVIDUALLY.

BARRISTERS' REPORTING SERVICE

1 MY QUESTION IS TO WHAT EXTENT ARE WE
2 DISAPPOINTING A LARGE NUMBER OF VOTERS OUT THERE
3 WHOSE DISEASES AND DISORDERS ARE NOT GOING TO BE
4 REPRESENTED IN THIS EIGHT? I HAVEN'T IN MY HEART OF
5 HEARTS COME TO ANY KIND OF A CONCLUSION OR
6 UNDERSTANDING ON THAT. I'D LOVE JUST FIVE MINUTES
7 OF OTHER PEOPLE'S THOUGHTS ON THAT. I'D REALLY
8 APPRECIATE THAT.

9 CHAIRMAN THOMAS: OKAY. FIVE MINUTES.

10 DR. PRIETO: I'M A LITTLE CONFLICTED ABOUT
11 THIS TOO, BUT I THINK THAT ULTIMATELY THE BEST
12 CHANCE FOR THE SCIENCE TO MOVE FORWARD IS IF WE HAVE
13 SOME DRAMATIC SUCCESS, SOME PROOF OF CONCEPT, THEN
14 WHETHER WE CARRY THE BALL FORWARD BECAUSE WE GET
15 MORE FUNDING OR SOMEONE ELSE DOES, I THINK THE
16 CHANCES IMPROVE FOR EVERYONE.

17 MS. LANSING: I CERTAINLY KNOW IN THE
18 WORLD OF CANCER, YOU'RE WORKING ON ONE THING AND YOU
19 THINK IT'S GOING TO LEAD, AND IT LEADS TO SOMETHING
20 FOR ANOTHER DISEASE. SO I THINK THAT IS REALLY WHAT
21 COULD HAPPEN TO THIS. WE'RE MOVING ALONG. THIS
22 HAPPENS WITH CANCER DRUGS ALL THE TIME, AND THEN
23 THEY'RE GOOD FOR -- I'M NOT A SCIENTIST -- FOR MS OR
24 SOMETHING. YOU NEVER KNOW WHERE IT'S GOING TO LEAD
25 YOU. I STILL THINK PRIORITIZATION ON WHERE WE THINK

BARRISTERS' REPORTING SERVICE

1 WE HAVE OUR BEST SHOTS IS DOING THE VOTERS THE BEST
2 SERVICE OF ALL DISEASES.

3 MR. SHEEHY: YOU KNOW, AND, AGAIN, I'M NOT
4 SURE HOW I'M GOING TO VOTE, BUT IT'S NO IRONY THAT
5 LEEZA GIBBONS AND JON SHESTACK ARE HERE FROM BOTH
6 AUTISM AND ALZHEIMER'S, TWO OF THE BIGGEST EPIDEMICS
7 THAT ARE ONGOING IN CALIFORNIA. AND JOAN IS NOT
8 HERE FOR PARKINSON'S. THOSE ARE THREE PLACES WHERE
9 I THINK HAVING THIS STRONG FOUNDATION, RIGHT, WE ARE
10 ADVANCING SCIENCE IN ALL THREE OF THOSE AREAS, AND
11 WE ARE CREATING A PLATFORM AND HAVE CREATED A
12 PLATFORM THAT IS GOING TO MAKE A DIFFERENCE IN THOSE
13 DISEASES EVENTUALLY. IT'S JUST FURTHER DOWN THE
14 ROAD.

15 AND OS REMINDS ME OF THAT POINT. AND I
16 THINK THAT THAT'S SOMETHING WE NEED TO SERIOUSLY
17 THINK ABOUT AS WE GO FORWARD BECAUSE IF WE END UP
18 ERODING THE FOUNDATION THAT IS CREATING THIS AMAZING
19 SCIENCE AND THESE PEOPLE WHO ARE WORKING ON THESE
20 DISEASES THAT ARE JUST SO COMPLEX AND SO DIFFICULT,
21 WE'RE GOING TO SET BACK PROGRESS IN THOSE AREAS, I
22 THINK, A NUMBER OF YEARS.

23 DR. HAWGOOD: I'M NOT AGAINST HOLDING
24 MONEY BACK TO TAKE OUR MOST PROMISING WORK THROUGH
25 PHASE II. I THINK IF WE DO THAT, WE HAVE TO HOLD

BARRISTERS' REPORTING SERVICE

1 OURSELVES EXTREMELY ACCOUNTABLE, THAT WE SPEND OUR
2 MONEY WISELY AND NOT JUST SPEND IT BECAUSE WE'RE SO
3 DETERMINED TO GET A PRODUCT THROUGH PHASE II. I
4 ASSUME THAT'S WHAT WE GET INTO --

5 DR. FEIGAL: IF I COULD GET THROUGH THE
6 OTHER SLIDES, WE WOULD GET TO THAT.

7 DR. HAWGOOD: I THINK THAT WE HAVE TO JUST
8 AT EVERY STEP STOP AND HOLD OURSELVES ACCOUNTABLE TO
9 MAKE SURE THAT THAT IS WHAT WE'RE DOING IF WE'RE
10 GOING TO GO THAT DIRECTION.

11 CHAIRMAN THOMAS: ABSOLUTELY. THANK YOU.
12 OKAY. I WOULD LIKE TO BE ABLE TO GET TO A VOTE ON
13 THIS PRIORITY ISSUE. SO DO WE HAVE A MOTION? WE
14 WILL HAVE PUBLIC COMMENT. WE HAVEN'T GOTTEN TO
15 THAT.

16 MR. JUELSGAARD: SO I MOVE THAT WE
17 ESTABLISH A PRIORITIZATION MECHANISM FOR THE
18 PROJECTS THAT ARE EITHER IN CLINICAL DEVELOPMENT OR
19 IN PRE-IND, IT'S THE 21 PROJECTS THAT WE REFERRED
20 TO, BUT THIS MOTION IS LIMITED TO THAT ISSUE AND NOT
21 HOW MUCH MONEY WE'RE GOING TO SPEND ON IT. JUST
22 THAT WE ESTABLISH THIS AS THE WAY WE'RE GOING TO GO
23 FORWARD WITH LOOKING AT THESE PROJECTS.

24 MR. TORRES: SECOND.

25 CHAIRMAN THOMAS: IT'S BEEN MOVED AND

BARRISTERS' REPORTING SERVICE

1 SECONDED. I THINK WE'VE EXHAUSTED DISCUSSION ON THE
2 BOARD UNLESS SOMEBODY FEELS ABSOLUTELY COMPELLED TO
3 ADD IN. COMMENTS BY MEMBERS OF THE PUBLIC?

4 DR. LORING: WE WANT TO SPEAK AT SOME
5 POINT, BUT THIS IS ABOUT THE SHARED LABS. IT'S A
6 VERY SPECIFIC ISSUE.

7 CHAIRMAN THOMAS: NO. NO. NO. THIS IS
8 NOT -- SPECIFIC COMMENT ON THIS ISSUE.

9 DR. LORING: WE JUST WANTED TO MAKE SURE.

10 CHAIRMAN THOMAS: MR. SHESTACK, GOOD TO
11 SEE YOU.

12 MR. SHESTACK: THANKS. NICE TO BE HERE IN
13 LOS ANGELES. YOU KNOW, IT SEEMS SAD TO ME THAT
14 WE'RE DOING THIS NOW WITH A GUN TO OUR HEAD BECAUSE
15 IT'S SOMETHING THAT MANY OF US HAVE TALKED ABOUT
16 DOING FOR A LONG TIME, WHICH IS PRIORITIZING,
17 LOOKING FOR THINGS, LOOKING FOR A HIT. WE ALL NEED
18 SCIENCE JUST LIKE EVERY OTHER BUSINESS, ALTHOUGH WE
19 HATE TO THINK OF IT AS A HIT-DRIVEN BUSINESS AND WE
20 COULD USE A HIT. BUT APROPOS OF WHAT MR. SHEEHY
21 SAID, I THINK IT DOESN'T HAVE TO BE COMPLETELY
22 EITHER/OR.

23 AS SOMEBODY WHO WORKED TO ADVOCATE FOR THE
24 AUTISM COMMUNITY AND THEN LATER ON ALSO FOR CEREBRAL
25 PALSY COMMUNITY, I WOULD SAY THAT THIS AGENCY HAS

BARRISTERS' REPORTING SERVICE

1 DONE A COMPLETELY LOUSY JOB. IT DIDN'T BOTHER ME
2 FOR A LONG TIME BECAUSE I THOUGHT WE WERE DOING SUCH
3 A GREAT JOB IN EVERYTHING ELSE.

4 HOWEVER, AS OPPORTUNITIES AROSE IN THE
5 DISORDER OF WHICH I HAVE A PARTICULAR PASSION AND
6 INTEREST, I BECAME INCREASINGLY FRUSTRATED OVER THE
7 INABILITY TO MOVE ANY FUNDING TOWARDS THESE THINGS.
8 AND I THINK, FOR INSTANCE, APROPOS OF ALSO WHAT MR.
9 TORRES SAID ABOUT SHOWING THE PUBLIC THAT WE ARE
10 TRYING, ONE WAY TO DO BOTH IS TO PRIORITIZE ON SOME
11 OF OUR INITIATIVES THAT WE THINK CAN GET TO STAGE
12 TWO, BUT AT THE SAME TIME TO ACTUALLY CHANGE SOME OF
13 OUR FUNDING MECHANISMS. AND FOR ONCE IN EIGHT YEARS
14 OPEN OUR MIND TO ACTUALLY DOING A DISEASE-SPECIFIC
15 INITIATIVE, EVEN IF IT IS \$10 MILLION.

16 IF SOMEBODY ASKS ME, AFTER THE END OF
17 EIGHT YEARS, DID YOU ACTUALLY DO ONE INITIATIVE THAT
18 HAD AT LEAST \$10 MILLION ALLOCATED FOR PEDIATRIC
19 MENTAL ILLNESSES EXCLUSIVELY, AND I WOULD SAY NO. I
20 HOLD MY HEAD IN SHAME. I THINK THE SAME IS TRUE
21 PERHAPS FOR ALZHEIMER'S AND PARKINSON'S, BUT THERE'S
22 NOTHING WRONG WITH OPENING IT UP AND TRYING OUR LUCK
23 AT A DIFFERENT TABLE, A DIFFERENT WAY TO DO IT, AND
24 WE HAVE PLENTY OF TIME TO DO IT WITH NOT SO MUCH
25 MONEY THAT HAS TO BE BET TO DO IT, AND YOU COULD DO

BARRISTERS' REPORTING SERVICE

1 BOTH. AND IT WOULD MAKE FOR A DIFFERENT STORY FOR
2 THE NEXT COUPLE OF YEARS, AND I REALLY URGE US TO
3 CONSIDER THAT AS WELL. THANK YOU.

4 CHAIRMAN THOMAS: THANK YOU, MR. SHESTACK.
5 OTHER COMMENTS BY MEMBERS OF THE PUBLIC?

6 MR. GOLLUB: MY NAME IS JIM GOLLUB. I'M
7 THE CONSULTANT ON THE STRATEGIC ROAD MAP TO CIRM, AS
8 SOME OF YOU MAY KNOW. IN THE COURSE OF OUR WORK, WE
9 FOUND AN EXTREME RELEVANCE OF WHAT YOU ARE SAYING
10 TODAY, THAT IT IS A NATURAL PIPELINE THAT YOU NEED
11 TO KEEP FILLED AND MOVE TOWARDS THE END. THE
12 INVESTMENT WORLD IS WAITING FOR YOU TO GET TO
13 CLINICAL TRIALS TO BE REACHED. AND IF YOU DO,
14 THEY'LL BE STANDING IN LINE.

15 THE IDEA OF PRIORITIZATION DOES NOT
16 DISRUPT ANYTHING. WE SPOKE WITH A LARGE NUMBER OF
17 INVESTORS, ADVOCACY FOUNDATIONS, CLIENT ADVOCACY
18 FOUNDATIONS AND OTHERS, WHO BELIEVE, THEY ALL
19 BELIEVE THAT PRIORITIZATION IS A NATURAL PROCESS
20 THAT WILL ALLOW YOU TO ACHIEVE GREATER VISIBILITY,
21 ACCELERATION, OUTCOMES, AND IT WILL BENEFIT ALL THE
22 OTHERS. FAILURE TO DO SO WILL MAKE IT HARDER.

23 CHAIRMAN THOMAS: THANK YOU. ANY OTHER
24 COMMENTS? QUESTION HAS BEEN CALLED FOR. I THINK WE
25 PROBABLY NEED A ROLL CALL VOTE HERE, MR. HARRISON.

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON, WOULD YOU JUST RESTATE THE MOTION,
2 PLEASE.

3 MR. HARRISON: THE MOTION IS TO ESTABLISH
4 A PRIORITIZATION MECHANISM FOR PROJECTS THAT ARE IN
5 CLINICAL TRIALS, CLINICAL DEVELOPMENT, OR PRE-IND,
6 REFERRING TO THE 21 PROJECTS.

7 CHAIRMAN THOMAS: MARIA, WILL YOU PLEASE
8 CALL THE ROLL.

9 MS. BONNEVILLE: LARS BERGLUND.

10 DR. BERGLUND: YES.

11 MS. BONNEVILLE: LINDA BOXER.

12 DR. BOXER: YES.

13 MS. BONNEVILLE: DAVID BRENNER.

14 DR. BRENNER: YES.

15 MS. BONNEVILLE: SUE BRYANT. ANNE-MARIE
16 DULIEGE.

17 DR. DULIEGE: YES.

18 MS. BONNEVILLE: MARCY FEIT. LEON FINE.

19 DR. FINE: YES.

20 MS. BONNEVILLE: ELIZABETH FINI.

21 DR. FINI: YES.

22 MS. BONNEVILLE: JUDY GASSON.

23 DR. GASSON: YES.

24 MS. BONNEVILLE: MICHAEL GOLDBERG.

25 MR. GOLDBERG: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: SAM HAWGOOD.
2 DR. HAWGOOD: YES.
3 MS. BONNEVILLE: STEPHEN JUELSGAARD.
4 MR. JUELSGAARD: YES.
5 MS. BONNEVILLE: TED KRONIRIS.
6 DR. KRONIRIS: YES.
7 MS. BONNEVILLE: SHERRY LANSING.
8 MS. LANSING: YES.
9 MS. BONNEVILLE: BERT LUBIN.
10 DR. LUBIN: YES.
11 MS. BONNEVILLE: FRANCISCO PRIETO.
12 DR. PRIETO: AYE.
13 MS. BONNEVILLE: ROBERT QUINT.
14 DR. QUINT: YES.
15 MS. BONNEVILLE: AL ROWLETT. JOAN
16 SAMUELSON. JEFF SHEEHY.
17 MR. SHEEHY: YES.
18 MS. BONNEVILLE: OSWALD STEWARD.
19 DR. STEWARD: YES.
20 MS. BONNEVILLE: JONATHAN THOMAS.
21 CHAIRMAN THOMAS: YES.
22 MS. BONNEVILLE: ART TORRES.
23 MR. TORRES: AYE.
24 MS. BONNEVILLE: CARL WARE. DONNA WESTON.
25 DR. WESTON: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: DIANE WINOKUR.

2 MS. WINOKUR: YES.

3 CHAIRMAN THOMAS: I'M GOING TO GO OUT ON A
4 LIMB AND SAY THAT PASSED. OKAY.

5 WE HAVE A SPOTLIGHT HERE. WE'RE GOING TO
6 TAKE A BREAK IN THIS BETWEEN ELLEN'S SLIDES 3 AND 4.
7 I'VE BEEN INFORMED BY MARIA THAT THE PROCEDURE HERE
8 IS EVERYBODY NEEDS TO GO POSTHASTE NEXT DOOR TO GET
9 YOUR LUNCH. PLEASE BRING IT BACK HERE IMMEDIATELY,
10 AND WE WILL PROCEED THEN TO THE SPOTLIGHT
11 PRESENTATION. THANK YOU.

12 (A RECESS WAS TAKEN.)

13 CHAIRMAN THOMAS: SO WE NOW COME TO ONE OF
14 THOSE BITTERSWEET MOMENTS THAT WE HAVE FROM TIME TO
15 TIME WHERE WE GET TO HONOR PREVIOUS BOARD MEMBERS
16 WHO DID SO MUCH FOR CIRM, BUT ARE REGRETTABLY NO
17 LONGER WITH US ON THE BOARD, BUT WE WANTED TO MAKE
18 SURE THAT WE HAD THE OCCASION TO GIVE THEM A PROPER
19 SEND-OFF, EXPRESSING OUR APPRECIATION. AND SO TODAY
20 WE HAVE JON SHESTACK AND LEEZA GIBBONS WITH US, AND
21 WE ARE GOING TO HAVE JEFF SPEAK ABOUT YOU, JON, AND
22 INTRODUCE YOU, AND THEN ART WILL TAKE THE HONORS,
23 LEEZA, TO INTRODUCE YOU. SO WITHOUT FURTHER ADO,
24 JEFF.

25 MR. SHEEHY: WELL, YOU KNOW, JON WAS THE

BARRISTERS' REPORTING SERVICE

1 FIRST BOARD MEMBER I MET WHEN I WAS APPOINTED. I
2 DON'T KNOW IF JON REMEMBERS THAT. OUR VERY FIRST
3 MEETING WAS AT UCSF, REMEMBER, DOWN IN THE BASEMENT.
4 WHEN JON AND I WERE WALKING OUT, AND ALL THE L.A.
5 FOLKS TOOK OFF, I SAID, "JON, ARE YOU GOING TO GO?"
6 HE SAID, "I DIDN'T GET INVITED ON THE PLANE."
7 SHERRY HAD FLOWN DOWN AND I THINK ALL THE L.A. FOLKS
8 HAD FLOWN WITH HER. AND WE HAD A LITTLE CHAT THEN.
9 AND I REALLY DIDN'T KNOW ANYTHING ABOUT THIS
10 INSTITUTE. I REALLY DIDN'T KNOW A LOT ABOUT A LOT
11 OF THE DISEASES AND CONDITIONS THAT WE WERE TRYING
12 TO TACKLE.

13 AND ONE OF THE MOST PROFOUND MOMENTS I
14 EXPERIENCED IN THIS ENTERPRISE WAS WHEN JON AND JOAN
15 SAMUELSON AND I ALL WENT TO LUNCH TOGETHER SHORTLY
16 THEREAFTER IN THE VERY FIRST FEW MONTHS OF THIS
17 INSTITUTION GETTING STARTED, AND JUST COMPARING
18 NOTES, THE VARIOUS THINGS THAT -- THE CHALLENGES
19 THAT WE EACH FACE. AND I WAS JUST STAGGERED,
20 STAGGERED BY THE CHALLENGES FACED BY FOLKS WITH
21 AUTISM. TO HEAR THAT 80 PERCENT OF THE FAMILIES
22 WHERE A CHILD HAS AUTISM, 80 PERCENT OF THOSE
23 MARRIAGES END IN DIVORCE. THE TERRIBLE, TERRIBLE
24 BURDEN.

25 AND I THINK ABOUT MY DAUGHTER. AND WHEN

BARRISTERS' REPORTING SERVICE

1 JON TALKS ABOUT THE STRANGER COMING IN THE NIGHT AND
2 TAKING AWAY HIS SON, I MEAN THAT KIND OF SHARING HAS
3 JUST BEEN AN AMAZING, ENRICHING, BUT INSPIRING PART
4 OF OUR ENTIRE MISSION. AND I THINK, YOU KNOW, I DO
5 SHARE WITH JON HIS FRUSTRATION THAT WE HAVEN'T MADE
6 MORE PROGRESS BECAUSE, AS MY CHILD GROWS, I SEE THE
7 IMPACT ON FAMILIES. AND I SEE THE KIDS WORKING.
8 LUCKILY WE'RE VERY INCLUSIVE IN SAN FRANCISCO IN OUR
9 SCHOOL DISTRICT, BUT I SEE THE CHALLENGES FACED BY
10 CHILDREN. AND THIS IS A REALLY SERIOUS, GROWING
11 PROBLEM IN CALIFORNIA. LUCKILY JON DID GET US TO
12 ORGANIZE WHAT I THOUGHT WAS A TREMENDOUS WORKSHOP ON
13 AUTISM, BUT I STILL THINK THIS IS A MAJOR
14 UNFULFILLED PART OF OUR MISSION.

15 AND, YOU KNOW, THE HEROISM OF JON AND HIS
16 WIFE, THEIR PRESENCE. I SEE THEM ON T.V. I'VE READ
17 ABOUT THEM IN THE *NEW YORK TIMES*. THEY'VE PUBLISHED
18 BOOKS. THEIR HEROISM IN TALKING ABOUT THEIR
19 STRUGGLES AND IN FIGHTING. I MEAN JON IS A FURIOUS
20 PERSON, AND HE NEVER EVER GIVES UP. AND IF ALL OF
21 US WERE SO STRONG AND ALL OF US WERE SO PASSIONATE,
22 GOD KNOWS WHAT WE WOULD HAVE CURED AT THIS POINT.
23 BUT IT HAS BEEN THE HIGHEST, HIGHEST HONOR AND THE
24 GREATEST, GREATEST INSPIRATION TO HAVE SERVED WITH
25 JON SHESTACK. SO I'M JUST VERY GRATEFUL TO HAVE HAD

BARRISTERS' REPORTING SERVICE

1 HIM AS A COLLEAGUE FOR THE LAST EIGHT YEARS.

2 CHAIRMAN THOMAS: JON, WHY DON'T YOU COME
3 TO THE PODIUM.

4 MR. SHESTACK: WELL, I WANT TO THANK YOU.
5 IT'S BEEN ACTUALLY -- IT'S BEEN KIND OF AN AMAZING
6 EXPERIENCE TO WORK WITH CIRM FOR EIGHT YEARS, MAYBE
7 A LITTLE BIT MORE, TO BE WITH A BUNCH OF PEOPLE WHO
8 WERE SUPER SMART, BUT MOSTLY COMMITTED AND
9 INCREDIBLY SINCERE. AND I'VE BEEN ON ALL SORTS OF
10 BOARDS, AND THIS WAS BY FAR THE BEST ONE, THE ONE
11 WHERE I FELT PEOPLE DUG INCREDIBLY DEEP TO FIGURE
12 OUT HOW TO SERVE THE PEOPLE OF CALIFORNIA, HOW TO
13 SERVE THEIR NEIGHBORS, HOW TO SERVE THE LAWS AND THE
14 REGULATIONS, AND TO HAVE PLAYED A SMALL PART IN THE
15 AMAZING PROGRESS THAT HAS BEEN MADE AGAINST SOME
16 TRULY INCREDIBLE ODDS IN CALIFORNIA FOR STEM CELL
17 SCIENCE IS GREAT.

18 WHAT I WILL SAY IS WHEN I STARTED THIS, MY
19 SON JOVE WAS 13, AND NOW HE'S 21. AND IT IS
20 SHOCKING. IT IS NOT ONE BIT EASIER TO TAKE CARE OF
21 HIM THAN IT WAS EIGHT YEARS AGO. IT IS THREE TIMES
22 HARDER TO TAKE CARE OF HIM BECAUSE HE IS AT LEAST
23 TWICE AS BIG AND I'M TWICE AS OLD. I DON'T KNOW
24 EXACTLY THE ALGORITHM, BUT IT MEANS THAT IT'S THREE
25 TIMES HARDER FOR EVERYBODY. I CAN'T LOOK AROUND

BARRISTERS' REPORTING SERVICE

1 HERE AND GO LIKE, OH, CIRM HAS FAILED ONE AUTISTIC
2 BOY IN LOS ANGELES. IT'S RIDICULOUS. IT'S NOT
3 TRUE. CIRM IS DOING THE WORK THAT WILL HELP SO MANY
4 MILLIONS OF PEOPLE ACROSS THE GLOBE.

5 BUT I DO THINK THAT WE OR YOU NOW AT CIRM
6 COULD DO BETTER. AND THE ONLY REASON I SAY IT IS
7 FOR THE FIRST, SAY, SIX YEARS THAT I SERVED ON THIS
8 BOARD, I FELT THAT IT WAS SO EASY TO ACTUALLY THINK
9 ABOUT SCIENCE PURELY IN THE PUBLIC INTEREST AND
10 NEVER ABOUT WHAT WAS BACK IN MY OWN HOUSE AND THAT I
11 DIDN'T HAVE TO EVER PLAY FAVORITES OR DO ANYTHING
12 LIKE THAT, AND THAT A RISING TIDE CARRIED ALL BOATS.
13 BUT SUDDENLY IN THE LAST COUPLE YEARS I SEE
14 TREMENDOUS OPPORTUNITY FOR DISCOVERY SCIENCE WITH
15 AUTISM AND LASTING DIFFERENCES IN THE KNOWLEDGE BASE
16 THAT CAN BE GAINED, AND ONLY CIRM REALLY HAS THE
17 EXPERTISE AND THE MONEY TO BE ABLE TO DO IT AT THIS
18 POINT, AND IT DOESN'T TAKE THAT MUCH.

19 SO I WOULD JUST SAY, AS I'VE SAID MANY
20 TIMES BEFORE WITH A LOT OF DISORDERS, TO SHAKE IT UP
21 A LITTLE BIT, PICK SOME SPECIFIC THINGS, AIM IN THAT
22 DIRECTION, SEE WHAT YOU CAN DO BECAUSE I THINK THE
23 OPPORTUNITY HAS NEVER BEEN GREATER THAN IT IS RIGHT
24 NOW. BUT I DO, AGAIN, WANT TO JUST THANK YOU ALL
25 FOR BEING SOME AMAZING PEOPLE. AND I ALSO

BARRISTERS' REPORTING SERVICE

1 PARTICULARLY WANT TO THANK JEFF AND JOAN, WHO ISN'T
2 HERE, AND FRANCISCO AND OS WHO ARE THE ADVOCATES
3 THAT I ALWAYS FOR EIGHT YEARS WOULD ALWAYS LOOK TO
4 FOR GUIDANCE AND ADVICE AND WHO I ALWAYS FELT DUG
5 DEEP TO FIGURE OUT WHAT WAS THE BEST THING TO DO AND
6 HOW WE COULD FULFILL THE PROMISE THAT WE MADE TO THE
7 PEOPLE OF CALIFORNIA SO MANY YEARS AGO.

8 THANK YOU VERY MUCH FOR A WONDERFUL
9 EXPERIENCE. I WILL TREASURE IT. AND THERE IS, EVEN
10 THOUGH WE'RE TALKING ABOUT THE SUNSETTING, THERE ARE
11 MANY MORE YEARS OF TREMENDOUS WORK THAT YOU HAVE
12 LEFT TO DO. SO PLEASE DO IT WITH ALL THE WISDOM AND
13 DISCERNMENT THAT IS AT YOUR FINGERTIPS. THANK YOU.

14 (APPLAUSE.)

15 MR. TORRES: IT'S MY HONOR TO PRESENT A
16 RESOLUTION TO AN ABSOLUTELY LOVELY HUMAN BEING. HER
17 NAME IS LEEZA GIBBONS. AND I HAD THE HONOR OF BEING
18 HER SEATMATE WHEN SHE WAS ON THE BOARD. AND WE
19 ALWAYS GOT INTO TROUBLE HERE AND THERE. BUT ALSO I
20 LOVE HER VERY MUCH AS DOES MY FAMILY, WHO HAS
21 ADMIRE HER FROM AFAR AND IN PERSON.

22 SHE'S BEEN INVOLVED WITH THE ALZHEIMER'S
23 ASSOCIATION FOR OVER TEN YEARS AND IS PART OF THE
24 CELEBRITY PANEL FOR THE AMERICAN RED CROSS. SHE
25 ALSO ESTABLISHED THE LEEZA GIBBONS MEMORY FOUNDATION

BARRISTERS' REPORTING SERVICE

1 AS A TESTAMENT TO HER MOTHER, WHO WAS DIAGNOSED WITH
2 ALZHEIMER'S, SO THAT SHE COULD BE ABLE TO ARTICULATE
3 AND ADVOCATE HER MOTHER'S STORY.

4 SHE'S ALSO BEEN A TREMENDOUS IMPETUS IN
5 CAREGIVING, SOMETHING THAT SHE AND I HAVE TALKED
6 ABOUT IN HER HOME IN LOS ANGELES AND ALSO IN OTHER
7 PARTS AS CAREGIVERS WITH MY MOTHER BEFORE SHE DIED
8 LAST YEAR AT THE AGE OF 92. WE SHARED A LOT OF
9 THOSE FRUSTRATIONS, A LOT OF THAT RESPONSIBILITY
10 WHICH OFTEN IS NOT EASY TO CARRY IN A LIFETIME. BUT
11 LEEZA DID. BUT NOW SHE CREATED LEEZA'S CARE
12 FOUNDATION CONNECTION, WHICH HELPS CAREGIVERS WITH
13 TRAINING AND SUPPORT BECAUSE YOU DON'T ALWAYS KNOW
14 WHAT TO DO AND YOU DON'T ALWAYS KNOW WHO TO TURN TO.
15 AND I THINK THAT ORGANIZATION HAS DONE AN INCREDIBLE
16 JOB IN REACHING OUT TO HELP CAREGIVERS.

17 BUT I ALSO LOVE CALLING HER AND TEASING
18 HER AS MADAM AMBASSADOR BECAUSE SHE WAS ANOINTED AS
19 THE AMBASSADOR FOR AARP. FOR ALL OF THOSE OF US WHO
20 ARE CHRONOLOGICALLY GIFTED, THAT'S IMPORTANT. BUT
21 ALSO THE FACT THAT SHE IS THAT SPOKESPERSON ON A
22 NATIONAL LEVEL REALLY PROVIDED SO MUCH MORE IMPETUS
23 FOR WHAT SHE HAD TO DO.

24 AND, AGAIN, IT CAME BACK TO FAMILY. SHE
25 WOULD HAVE LOVED TO HAVE STAYED ON THIS BOARD, BUT

BARRISTERS' REPORTING SERVICE

1 FOR COMMITMENTS TO FATHER AND FAMILY, WHICH WAS SO
2 INSPIRING TO ME, BUT A LOSS FOR ALL OF US. SO I
3 JUST WANTED TO SAY TO LEEZA GIBBONS I LOVE YOU AND I
4 MISS YOU.

5 (APPLAUSE.)

6 MS. GIBBONS: NOBODY SAYS I LOVE YOU,
7 BABY, QUITE LIKE YOU, ART. YOU ALL HAVE ALREADY HAD
8 A BUSY, BUSY DAY AND A BEAUTIFUL, INCREDIBLE
9 SPOTLIGHT, AND SO I SHALL TRY TO KEEP MY COMMENTS
10 BRIEF. BUT I'M SO HAPPY, SO HAPPY TO HAVE AN
11 OPPORTUNITY TO COME IN AND SAY A FEW BRIEF THINGS TO
12 YOU FROM MY HEART.

13 FIRST OF ALL, YOU ARE GOING TO MISS ME AND
14 HERE'S WHY. YOU ARE GOING TO MISS ME BECAUSE AN
15 UNCONFLICTED WOMAN IS VERY HARD TO FIND. WHEN YOU
16 CALL THE ROLL, YOU WILL SO MISS HAVING ME SAY NO
17 CONFLICTS. YOU'LL BE MISSING ME. YOU KNOW YOU
18 WILL. SO JUST KEEP THAT IN MIND AS YOU JOURNEY
19 FORWARD AND THINK, GOSH, WE JUST DIDN'T APPRECIATE
20 THAT AS MUCH AS WE THOUGHT WE SHOULD HAVE.

21 THANK YOU VERY, VERY MUCH. THERE'S
22 SOMETHING INHERENTLY WRONG WITH BEING ON THE
23 RECEIVING END OF ANYTHING IN FRONT OF THIS GROUP FOR
24 ANYTHING THAT I AM ALLEGED TO HAVE DONE TO
25 CONTRIBUTE TO THIS STELLAR ORGANIZATION. IT CLEARLY

BARRISTERS' REPORTING SERVICE

1 IS THE OTHER WAY AROUND, WITHOUT A DOUBT. BUT I AM
2 VERY GRATEFUL AND VERY GRACIOUSLY HERE TO OFFER MY
3 APPRECIATION AND MY GRATITUDE TO ALL OF YOU,
4 ESPECIALLY TO MY COLLEAGUES ON THE BOARD. AND THERE
5 IS ONE WHO IS NOT HERE, DUANE ROTH, THAT I HOPE
6 UNDERSTANDS AND APPRECIATES HOW VERY MUCH DUANE
7 MEANT TO ME AS HE DID TO ALL OF YOU, BUT, DUANE,
8 ALONG WITH YOU, ART, THOSE ARE MY GO-TO GUYS ON THE
9 BOARD. THE ONES THAT MADE ME FEEL SAFE AND THE ONES
10 THAT JUST ALLOWED ME TO REACH HIGHER THAN I THOUGHT
11 I COULD. AND I THANK YOU FOR THAT, DUANE.

12 AND, ART, PART OF BEING A GREAT LEADER IS
13 THAT YOU ALWAYS SEE IN PEOPLE AND YOU ALWAYS SAW IN
14 ME THE BEST IN ME WHEN I DIDN'T SEE IT MYSELF AND
15 THE POSSIBILITIES IN ALL OF US WHEN WE COULDN'T
16 ALWAYS FIGURE THEM OUT. AND I REALLY APPRECIATED
17 THAT ESPECIALLY IN MY SERVICE TO THE BOARD WHICH WAS
18 ALWAYS SO TENTATIVE. I DON'T KNOW AND I'M NOT SURE,
19 AND I DON'T KNOW IF I KNOW ENOUGH, AND HOW AM I EVER
20 GOING TO READ ENOUGH, AND HOW AM I EVER GOING TO
21 KEEP UP WITH EVERYBODY ELSE. AND SO I WANT THANK
22 YOU FOR ENCOURAGING ME THAT I COULD. AND I WANT
23 THANK ALL OF MY COLLEAGUES FOR JUST HELPING ME TO UP
24 MY GAME FOR THE TIME THAT I WAS PRIVILEGED ENOUGH TO
25 BE SHOULDER TO SHOULDER WITH YOU.

BARRISTERS' REPORTING SERVICE

1 WHEN I FIRST GOT THIS APPOINTMENT, I
2 CALLED SHERRY LANSING'S OFFICE. "SHERRY," I SAID,
3 "OH, MY GOSH. WHAT DO I DO? WHAT'S IT ABOUT? I
4 DON'T KNOW. SHOULD I DO IT?" AND WHAT I GOT BACK
5 FROM SHERRY WAS, WELL, OF COURSE, YOU SHOULD. AND
6 YOU SHOULD BE PREPARED TO READ AND YOU SHOULD BE
7 PREPARED TO STUDY AND YOU SHOULD BE PREPARED TO READ
8 SOME MORE AND PREPARED TO GET PREPARED SOME MORE,
9 AND THEN YOU SHOULD BE READY TO JUST BUCKLE UP AND
10 HAVE THE TIME OF YOUR LIFE. BOY, WAS SHE EVER RIGHT
11 ABOUT THE TIME OF YOUR LIFE PART. WHAT AN
12 INCREDIBLE, INCREDIBLE ADVENTURE ALL THE WAY AROUND.

13 GOSH, THIS SCIENCE STAFF, I CAN ALREADY
14 FEEL THE BRAINS BEHIND ME. I JUST COULD NEVER
15 BELIEVE THAT WE WERE EVEN ALLOWED TO BREATHE THE
16 SAME AIR THAT THE SCIENCE STAFF BREATHES. WHEN I
17 WAS GROWING UP AND I PLAYED WITH MY BARBIES, MY
18 BARBIES WERE REPORTER BARBIES. I NAMED THEM NANCY
19 DICKERSON AND BARBARA WALTERS, THE COOLEST NEWS
20 WOMEN OF THE DAY. IN THE BUSINESS, AS I BEGAN TO
21 BECOME SUCCESSFUL, I WOULD STILL GET A LITTLE
22 FREAKED OUT BY CERTAIN THINGS AND I WOULD GO, OKAY.
23 I'LL JUST THINK OF THE REPORTER BARBIES. WHAT WOULD
24 THE REPORTER BARBIES DO? SO WHENEVER YOU ALL WOULD
25 PRESENT THINGS AND I WOULD BE THERE AND HAVE TO ASK

BARRISTERS' REPORTING SERVICE

1 QUESTIONS, I WOULD GO, OKAY. WHAT WOULD THE
2 REPORTER BARBIES ASK? AND ALL I COULD COME UP WITH
3 TO ASK THE SCIENCE STAFF IS WHAT IS IT LIKE TO JUST
4 KNOW EVERYTHING? THAT'S JUST WHAT IT FEELS LIKE
5 WITH THIS TEAM OF GREAT SCIENTISTS, AND SO HOW
6 IMPRESSIVE TO HAVE BEEN ABLE TO EVEN BREATHE THE AIR
7 THAT YOU'RE BREATHING.

8 AND FOR THE STAFF AT CIRM, THANK YOU VERY
9 MUCH FOR THIS LOVELY SUPPORT WHICH HAS BEEN
10 UNWAVERING FOR EVERYONE, JUST INCREDIBLE AS WE HAVE
11 JOURNEYED AND AS I HAVE HAD THIS AMAZING ADVENTURE.
12 ALAN, YOU ESPECIALLY HAVE BEEN REALLY FUN TO SPEND
13 TIME WITH. IT'S REALLY BEEN REMARKABLE. SO THIS
14 TEAM DESERVES A PLACE IN HEAVEN, WITHOUT A DOUBT.

15 KNOWING J.T. AND J.T., AND, MARIA, THANK
16 YOU FOR YOUR KINDNESS, FIRST OF ALL, IN HELPING
17 EVERYBODY DO EVERYTHING. BUT, J.T., YOU BLOW ME
18 AWAY. YOU REALLY BLOW ME AWAY. YOU MAKE MY HEAD
19 SPIN. BUT KNOWING J.T. AND BOB, AND I'M SURE MANY
20 PEOPLE AGREE WITH ME, I KNOW NOW THAT WE KNOW THE
21 TWO SMARTEST PEOPLE IN THE WORLD, WHICH IS ONE
22 THING. BUT I WAS WATCHING BACK THERE TODAY, AND
23 IT'S DIFFERENT WHEN YOU DON'T HAVE TO PAY ATTENTION
24 TO THE CONVERSATION IN THE SAME WAY. THANK YOU FOR
25 RUNNING THESE MEETINGS WITH SUCH PASSION AND SUCH

BARRISTERS' REPORTING SERVICE

1 PURPOSE, BUT FOR NEVER ALLOWING THEM TO GET PETTY
2 BECAUSE YOU NEVER ALLOW THEM TO GET PETTY. AND
3 THAT'S REALLY MEANINGFUL.

4 WE COULD PROBABLY USE MORE POTTY BREAKS,
5 AND I THINK SOMEBODY NEEDS TO ADVOCATE FOR THAT.
6 THAT'S THE ONLY THING I WOULD SAY. J.T., THANK YOU
7 FOR JUST ALWAYS ENCOURAGING ME. I REALLY HAVE
8 APPRECIATED THAT.

9 I WAS TWEETING WITH SOMEONE JUST RECENTLY
10 WITH AN ADVOCATE ABOUT HEALTH ISSUES AND HOW
11 IMPORTANT IT IS THAT WE CONNECT WITH EACH OTHER.
12 AND THEY REMINDED ME OF THAT HEMINGWAY QUOTE, THAT
13 THE WORLD BREAKS EVERYONE. THIS QUOTE, "THE WORLD
14 BREAKS EVERYONE, BUT IN THE END SOME ARE STRONGER IN
15 THE BROKEN PLACES." AND I SAID, NO, THAT IS NOT THE
16 WAY WE ROLL AT CIRM. THAT'S SIMPLY NOT THE WAY WE
17 DO IT AT CIRM. WE WILL NOT BE BROKEN BY THESE
18 DISEASES THAT WE SEEK TO CURE AND TREAT. WE WILL BE
19 FRUSTRATED BY THEM, BUT WE'LL BE INSPIRED BY THEM
20 AND WE'LL BE PROPELLED FORWARD BY THEM AND WE'LL BE
21 MOTIVATED BY THEM WHILE THE SCIENTISTS UNLOCK THE
22 KEY WHILE WE FIGURE OUT HOW TO CURE THEM AND HOW TO
23 TREAT THEM, BUT WE WILL NOT BE BROKEN BY THEM.

24 AND AS IT RELATES TO THE DISCUSSION THAT
25 YOU ARE HAVING TODAY ABOUT THE SCIENCE, YOU KNOW, I

BARRISTERS' REPORTING SERVICE

1 KNOW SCIENCE IS ABOUT WHAT'S EXACT AND IT'S ABOUT
2 WHAT'S PRECISE AND IT'S ABOUT THE SURE THING, IT'S
3 ABOUT THE DEFINITE THING, THE THING YOU CAN PROVE.
4 BUT WHEN WE WOULD GIVE THE MONEY, WHEN WE GIVE THE
5 MONEY TO THE RESEARCH TO FUND THESE GRANTS, TO SEND
6 THESE SCIENTISTS OFF TO DO THEIR THING, WE DON'T
7 REALLY KNOW, DO WE? WE DON'T KNOW FOR SURE. AND I
8 THINK THAT'S WHAT'S SO EXCITING BECAUSE YOU DON'T
9 KNOW IF YOU'RE FUNDING THE RIGHT SCIENTIST AND THE
10 RIGHT RESEARCHERS TO GO TO THE RIGHT LABS ON THE
11 RIGHT DAY TO DO EXACTLY THE RIGHT BIT OF MAGIC TO
12 COME UP WITH THE RIGHT BIT OF HOPE, THE RIGHT
13 ANSWERS FOR THE RIGHT FAMILIES THAT THEY'RE WAITING
14 FOR.

15 THOSE ARE THE FAMILIES THAT COME OUT HERE
16 AND SPEAK IN FRONT OF THIS BOARD, AND THAT'S WHAT
17 THEY'RE LOOKING FOR FROM YOU, RIGHT. THEY'RE
18 LOOKING FOR HOPE. THAT'S WHY THE VOTERS OF
19 CALIFORNIA VOTED FOR STEM CELL RESEARCH. THAT'S WHY
20 I'M A CARD CARRYING STEM CELL CHAMPION. THAT'S WHAT
21 I'M COUNTING ON YOU TO CONTINUE TO DO IS TO GIVE US
22 THE HOPE. AND THAT'S WHY I WOULD GET SO EXCITED
23 WHEN WE VOTE FOR SOMETHING BECAUSE YOU NEVER KNOW
24 WHAT'S GOING TO HAPPEN WITH THAT VOTE AFTER YOU
25 BLESS IT WITH THE FAIRY DUST AND IT GOES OFF. YOU

BARRISTERS' REPORTING SERVICE

1 DON'T KNOW, DO YOU? AND THAT COULD BE THE ANSWER
2 THAT SOMEBODY CAME HERE AND THEY'RE WAITING. I'M
3 WAITING FOR MY KIDS TO SAY THEY AREN'T GOING TO HAVE
4 TO CONTINUE THE STORY OF THE LEGACY OF OUR FAMILY
5 WITH THREE GENERATIONS OR MORE OF ALZHEIMER'S
6 DISEASE. AND I THINK THAT'S THE REALLY COOL THING
7 ABOUT THE WORK THAT YOU ALL ARE SO PRIVILEGED TO DO.

8 I STILL CAN'T BELIEVE THAT I HAD A SEAT AT
9 THE TABLE TO DO IT WITH YOU. AND I THANK YOU SO
10 VERY MUCH. I AM NOT LEAVING THIS FIELD. I AM JUST
11 MOVING FROM THIS SIDE OVER HERE TO THIS SIDE. AND
12 SO I HOPE THAT YOU WILL CALL ON ME IF THERE'S ANY
13 WAY THAT I CAN EVER BE OF SERVICE. THANK YOU SO
14 VERY MUCH FOR EVERYTHING.

15 (APPLAUSE.)

16 CHAIRMAN THOMAS: OKAY. THANK YOU FOR
17 BOTH OF THOSE STIRRING SETS OF COMMENTS, EVIDENCING
18 BOTH YOUR EXTREME COMMITMENT TO THE CAUSE AND WHAT
19 MANY, MANY STRENGTHS YOU BOTH BROUGHT TO THE TABLE.
20 SO THANK YOU VERY MUCH AGAIN FOR YOUR SERVICE. WE
21 AND THE TAXPAYERS OF CALIFORNIA GREATLY APPRECIATE
22 IT.

23 OKAY. DR. FEIGAL, WE'RE BACK TO YOU.
24 WE'RE BACK TO PAGE 3 OR 4 OR WHATEVER. NOW, WE HAVE
25 A LOT OF STUFF TO GET THROUGH HERE, FOLKS. AND THE

BARRISTERS' REPORTING SERVICE

1 DISCUSSION WAS GREAT AND CRITICAL AND SORT OF
2 THRESHOLD, BUT LET'S SEE IF WE CAN MOVE THROUGH WITH
3 A BIT MORE DELIBERATE SPEED HERE.

4 DR. FEIGAL: THANK YOU. SO EVERYBODY IS
5 WELL FED AND READY TO MOVE FORWARD. SO WE LEFT IT
6 AT ACTUALLY HOW IMPORTANT IT IS TO ESTABLISH
7 CLINICAL PROOF OF CONCEPT. AND THANK YOU FOR AT
8 LEAST AGREEING THAT IT'S IMPORTANT TO THINK ABOUT
9 HOW TO PRIORITIZE WITHOUT PUTTING A LOT OF STRINGS
10 ATTACHED TO IT AT THIS POINT IN TIME, BUT JUST
11 MAKING A STATEMENT THAT IT IS INDEED IMPORTANT
12 BECAUSE I THINK IT IS IMPORTANT THAT WE AS AN
13 INSTITUTE, FROM THE BOARD, TO THE SCIENTIFIC STAFF,
14 TO THE INVESTIGATORS, DO HAVE A CLEAR MESSAGE ABOUT
15 WHAT IS OUR PRIORITY IN TRYING TO ADVANCE THIS
16 SCIENCE TO PATIENTS.

17 SO, ONCE AGAIN, SOME TANGIBLE EVIDENCE
18 THAT'S MEANINGFUL FOR PATIENTS AND TO THE PUBLIC WHO
19 CREATED THIS INSTITUTE IN THE FIRST PLACE AND AN
20 IMPORTANT INFLECTION POINT FOR INVESTORS, FOR
21 COMPANIES, FOR THOSE INDIVIDUALS WHO ARE GOING TO
22 TAKE THIS PROMISING APPROACH AND MOVE IT FORWARD
23 TOWARDS COMMERCIALIZATION WHILE STILL HAVING A
24 WINDOW OPEN, A DOOR OPEN FOR THOSE OTHER
25 PARTICULARLY PROMISING PROJECTS THAT MIGHT BE

BARRISTERS' REPORTING SERVICE

1 EARLIER IN THE PIPELINE TO BE ABLE TO HAVE A CHANCE
2 TO MOVE FORWARD. I THINK THAT'S THE CONSENSUS, AT
3 LEAST, THAT I HEARD WITH THE EARLIER CONVERSATION.

4 WHAT WE'RE THINKING IN TERMS OF THE HOW,
5 WHO, AND WHEN, IN ADDITION TO WHAT, IS THE FOLLOWING
6 THAT I'D LIKE TO PROPOSE TO YOU AS HOW WE COULD DO
7 THIS. AND VERY INTERESTED IN WHAT YOUR THOUGHTS ARE
8 ON THIS. THIS IS A PROPOSAL.

9 WE'RE PROPOSING THAT WE LOOK AT THE
10 CURRENTLY FUNDED PROJECTS WITH THE POTENTIAL, IT
11 COULD BE AN ASPIRATION, IT COULD BE SOME ARE MORE
12 REALISTIC THAN OTHERS, BUT WE'RE TAKING THOSE
13 DENOMINATOR OF ALREADY FUNDED PROGRAMS THAT ARE
14 REACHING FOR CLINICAL PROOF OF CONCEPT, AND THESE
15 INCLUDE THE DISEASE TEAMS AND THE STRATEGIC
16 PARTNERS.

17 WE'RE SUGGESTING THAT ALL OF THESE
18 PROGRAMS, WHICH ALREADY GO THROUGH A RIGOROUS
19 REVIEW, THEY'VE ALREADY BEEN REVIEWED BY THE GRANTS
20 WORKING GROUP, THEY'VE ALREADY BEEN RECOMMENDED WITH
21 FUNDING TO YOU, THE ICOC, YOU ALREADY MADE YOUR
22 DECISION ABOUT FUNDING THEM, AND NOW, AS THEY'RE
23 BEING MANAGED, THEY'RE HAVING INTERACTIONS WITH
24 PEOPLE ON THE SCIENTIFIC STAFF, ON THE MEDICAL
25 STAFF, TO TALK ABOUT THEIR PROGRAM, AND THEY'RE

BARRISTERS' REPORTING SERVICE

1 BEING FORMALLY -- THEY HAVE FORMAL INTERACTIONS WITH
2 A WHOLE PANEL. WE HAVE DOZENS OF EXTERNAL ADVISORS
3 THAT ARE BROUGHT IN SPECIFICALLY TO MEET WITH THOSE
4 PROJECT INVESTIGATORS TO TALK ABOUT HOW THEY'RE
5 DOING WITH THEIR MILESTONES, HOW THEY'RE DOING WITH
6 THEIR PROGRESS, WHAT PROBLEMS THEY'RE FACING,
7 CHALLENGES THEY'RE FACING, AND HOW TO MITIGATE THOSE
8 ISSUES. AND THAT HAS REALLY HELPED US.

9 WE BEGAN THIS THREE YEARS AGO TO HELP
10 EITHER REFINE, RESHAPE, TERMINATE A VARIETY OF THESE
11 PROGRAMS. SO THERE'S A VERY ROBUST PROCESS THAT
12 WE'VE BEEN PUTTING IN PLACE AND THAT HAS BEEN
13 WORKING IN MOVING THESE PROJECTS FORWARD.

14 WHAT WE WANT FOR THESE IDENTIFIED
15 PROJECTS, THE GRANT REVIEW GROUP IS GOING TO LOOK AT
16 THE WHOLE DENOMINATOR OF PROJECTS. WE CAN TALK
17 ABOUT THE TYPES OF THINGS THEY'LL BE LOOKING AT WHEN
18 I GET TO THE SLIDE ABOUT CRITERIA, BUT BASICALLY, IN
19 ADDITION TO WHAT THE INVESTIGATORS PROPOSE TO DO,
20 WE'RE GOING TO BRING IN THE INFORMATION FROM OUR
21 CDAP ASSESSMENTS ABOUT HOW THEY'RE PERFORMING,
22 WHAT'S HAPPENING, AND WHAT THE EXPERIENCE HAS BEEN
23 TO DATE IN TERMS OF HOW THEY'RE DOING WITH THEIR
24 PROJECT.

25 AND THE GRANTS REVIEW GROUP THAT WILL SEE

BARRISTERS' REPORTING SERVICE

1 THIS DENOMINATOR OF PROJECTS WILL BE LOOKING AT
2 THEIR PROGRESS, WILL BE ASSESSING ALSO THEIR
3 DEVELOPMENT PLAN, THEIR ABILITY TO MOVE FORWARD, AND
4 WHETHER OR NOT THEY COULD POTENTIALLY HAVE NEED FOR
5 A FOLLOW-ON CLINICAL TRIAL WHERE REQUIRED AND
6 APPROPRIATE IF THE MILESTONES ARE BEING MET.

7 SO THE ICOC WOULD BE THE GROUP THAT WOULD
8 ACTUALLY APPROVE THESE PROJECTS. THE GRANTS WORKING
9 GROUP WOULD LOOK AT THIS ENTIRE DENOMINATOR OF
10 PROJECTS AND THE INFORMATION THAT IS PROVIDED TO
11 THEM AND MAKE RECOMMENDATIONS. SO WE'RE USING A
12 PROCESS THAT'S ALREADY IN PLACE THAT YOU'RE ALREADY
13 FAMILIAR WITH. AND THESE RECOMMENDATIONS FROM THE
14 GRANTS WORKING GROUP WOULD BE BROUGHT TO YOU, THE
15 ICOC, TO BASICALLY SET ASIDE -- IDENTIFY THE
16 PROJECTS AND AGREE TO THE SET ASIDE OF FUNDING FOR
17 THESE DIFFERENT PROJECTS.

18 WE'RE ASSESSING THAT THE TIMING FOR WHEN
19 THIS WOULD HAPPEN WOULD BE IN THE FIRST HALF OF 2014
20 BECAUSE IF WE'RE GOING MAKE AN IMPACT, IF WE'RE
21 GOING TO TRY AND RESHAPE OR REFINE WHAT WE DO, WE
22 NEED TO DO IT SOON. AND WE NEED TO DO IT WHEN WE
23 HAVE ACTUALLY AN OPPORTUNITY TO RESHAPE HOW THESE
24 PROJECTS GO FORWARD.

25 CHAIRMAN THOMAS: ELLEN, QUICK QUESTION.

BARRISTERS' REPORTING SERVICE

1 AS YOU SIT HERE TODAY, THIS GOES TO ELLEN, PAT, AND
2 EVERYBODY ALSO, YOU'RE TALKING ABOUT BRINGING
3 PROJECTS FOR REVIEW THAT WE BELIEVE COULD REACH
4 PROOF OF CONCEPT BY 2017. NOT NAMING ANY NAMES, HOW
5 MANY PROJECTS IN OUR CURRENT PORTFOLIO DO YOU
6 BELIEVE THAT APPLIES TO AS WE SIT HERE?

7 DR. FEIGAL: AS I SAID EARLIER, OF THE 23,
8 WE HAVE 14 WITH ASPIRATIONS TO DO SO. WHAT WE'RE
9 SUGGESTING, THERE MAY BE A FEW MORE ON EITHER SIDE
10 OF THAT, WHAT WE WOULD PROPOSE TO BRING TO THE
11 GRANTS WORKING GROUP IS NOT JUST THE ASPIRATIONS,
12 BUT ALSO BRING THE TRACK RECORD, HOW THEY ARE DOING
13 WITH MOVING FORWARD, AND THE TIMELINES AND THE
14 BUDGETS FOR HOW THEY'RE WORKING. SO THOSE WOULD ALL
15 BE PARAMETERS THAT THE GRANTS WORKING GROUP WOULD BE
16 LOOKING AT. AND SO WE ESTIMATE AT THIS POINT IN
17 TIME IT WOULD BE APPROXIMATELY 14.

18 THE CRITERIA, WE THINK, WOULD BE DIFFERENT
19 AT THIS POINT IN TIME FOR WHAT THE GRANTS WORKING
20 GROUP WOULD BE LOOKING AT. WE'RE NOT ASKING FOR A
21 RE-REVIEW OF THE APPLICATION. THAT'S NOT THE POINT.
22 WHAT WE'RE LOOKING AT ARE THE FOLLOWING ISSUES, AND
23 ALSO I WANT TO MAKE IT CLEAR THAT THOSE THAT AREN'T
24 IDENTIFIED AS THE SIX TO EIGHT IS NOT A JUDGMENT
25 CALL ON THE VALUE OF THE PRIORITIZATION THAT WAS

BARRISTERS' REPORTING SERVICE

1 MADE DURING THE GRANTS WORKING GROUP WHEN THAT
2 APPLICATION WENT THROUGH IN THE FIRST PLACE. THEY
3 WILL CONTINUE TO WORK DOWN THE PATHWAY TO TRY AND
4 SEE IF THEY CAN ACHIEVE WHAT THEY SAID THEY WERE
5 GOING TO ACHIEVE. THEY WILL CONTINUE TO RECEIVE
6 INTERNAL RESOURCES, EXPERTISE, AND EXTERNAL ACCESS
7 TO EXPERTISE. THAT'S GOING TO CONTINUE.

8 WHAT WE'RE TALKING ABOUT HERE IS THE
9 INCREASED ACCESS TO EXPERTISE AND THE POSSIBLE
10 ACCESS TO SET-ASIDE FUNDING SHOULD THEY NEED IT.

11 SO THE TYPE OF CRITERIA THAT WE'RE
12 THINKING ABOUT ARE THE FOLLOWING: STEM CELL
13 THERAPIES WHERE THE STEM CELL CONNECTION IS STRONG
14 AND IT'S COMPELLING.

15 WHERE THERE IS A CLEAR AND THERE'S A
16 STRONG PLAN FOR THE DEVELOPMENT PATHWAY, NOT JUST TO
17 GET INTO THE FIRST-IN-HUMAN TRIAL, BUT DO THEY
18 ACTUALLY HAVE A PATHWAY THAT THEY'VE CHARTED OUT TO
19 SEE ABOUT HOW THEY CAN GET BEYOND THAT INITIAL TRIAL
20 TO THAT SECOND CLINICAL TRIAL AND SUBSEQUENTLY TO
21 COMMERCIALIZATION.

22 WHETHER THE POTENTIAL FOR A MAJOR IMPACT
23 IS STRONG.

24 AND THIS IS WHAT I BROUGHT UP EARLIER.
25 WHETHER WE WANT TO FOCUS ON DISEASES THAT HAVE AN

BARRISTERS' REPORTING SERVICE

1 ACCEPTED OR A REASONABLE MARKER OF ACTIVITY RELEVANT
2 TO THE DISEASE. I'M NOT GOING TO NAME THAT DISEASE,
3 BUT BASICALLY THOSE TYPES OF THERAPEUTIC AREAS WHERE
4 SUCH AN ENTITY EXISTS AND SOME PREFERABLY GOOD
5 UNDERSTANDING OF THE MECHANISM OF THAT DISEASE AND
6 THE UNDERLYING PATHOPHYSIOLOGY OF THAT DISEASE AND
7 WHAT IT TAKES TO ESTABLISH EFFICACY SUCH THAT YOU
8 CAN DESIGN THE CLINICAL TRIAL WITH WELL-DEFINED,
9 BIOLOGICALLY QUANTIFIABLE END POINTS THAT CAN BE
10 PLANNED AND WHERE YOU HAVE A CLINICAL END POINT THAT
11 CAN BE CLEAR AND WELL ESTABLISHED.

12 WHERE THERE IS AN ASPIRATION TO REACH
13 CLINICAL PROOF OF CONCEPT, THAT IT MIGHT BE A
14 POSSIBILITY IN OR BY 2017.

15 AND MOST IMPORTANTLY, WHERE THERE'S A
16 STRONG, CREDIBLE TEAM THAT HAS EXPERTISE IN
17 DEVELOPMENT AND THE ABILITY TO EXECUTE ON PLANS.
18 IT'S NOT JUST ABOUT A GOOD PROMISE, A GOOD PLAN, BUT
19 FOR ALL OF THESE, WE WILL HAVE BEEN WORKING WITH
20 THEM. WE'LL HAVE SOME EXPERIENCE HOW THEY'RE DOING
21 WITH MANAGING AND WORKING ON THEIR PROJECT AND HOW
22 THEY'RE EXECUTING.

23 SO THOSE ARE THE CRITERIA THAT WE SUGGEST
24 WOULD BE HELPFUL TO LOOK AT FOR THIS SECOND TYPE OF
25 ASSESSMENT TO SEE WHETHER OR NOT THEY CAN BE PART OF

BARRISTERS' REPORTING SERVICE

1 THE ACCELERATION PATHWAY.

2 AS YOU HEARD EARLIER, WHAT WE'RE TALKING
3 ABOUT IS SETTING ASIDE, OF THE 460 MILLION THAT IS
4 ALREADY PROPOSED TO BE SET ASIDE IN DEVELOPMENT,
5 THAT 200 OF THAT BE SET ASIDE FOR POTENTIAL NEED FOR
6 FOLLOW-ON PHASE II TRIALS WHERE REQUIRED, WHERE
7 APPROPRIATE, WHERE THEY'RE ACTUALLY MEETING THEIR
8 MILESTONES, FOR UP TO X NUMBER OF PROJECTS, AND THAT
9 THIS FUNDING WOULD BE SET ASIDE FROM WHAT YOU'VE
10 ALREADY HEARD EARLIER IN THE BOARD MEETING TODAY IN
11 THOSE FUNDS THAT ARE ALREADY DESIGNATED FOR
12 DEVELOPMENT.

13 SO THAT'S REALLY A HIGH LEVEL OF WHAT
14 WE'RE TALKING ABOUT AND A HIGH LEVEL OF THE PROCESS
15 AND THE TYPES OF CRITERIA THAT WE THINK WOULD BE
16 IMPORTANT.

17 CHAIRMAN THOMAS: ELLEN, I PRESUME, OR AM
18 I INCORRECT, THAT SOME PROJECTS THAT ARE FUNDED JUST
19 TO GET THROUGH TO IND MIGHT BE CONSIDERED IN THIS
20 GROUP, OR IS THIS PROJECTS THAT ARE ALL GOING TO
21 HAVE MADE IT AT LEAST INTO PHASE I? IF THE ANSWER
22 IS IT DOES CONTEMPLATE SOME PROJECTS THAT ARE SET TO
23 GO JUST THROUGH GETTING IND, THEN DON'T YOU HAVE TO
24 FACTOR THAT INTO THE BUDGET AS WHAT YOU REFERENCE
25 HERE ONLY TALKS ABOUT PHASE II TRIALS?

BARRISTERS' REPORTING SERVICE

1 DR. FEIGAL: WHAT WE'RE TALKING ABOUT IS
2 THAT DENOMINATOR, WHICH IS ABOUT 14 PROJECTS THAT
3 HAVE THE ASPIRATION TO COMPLETE A CLINICAL TRIAL, SO
4 IT'S NOT JUST GOING TO AN IND FILING. YOU LOOK
5 CONFUSED. WE HAVE GROUPING OF PROJECTS --

6 CHAIRMAN THOMAS: BUT YOU CAN HAVE
7 PROJECTS THAT ARE ABOUT TO GET -- MAY FUND THROUGH
8 THE END OF AN IND THAT HAVE ASPIRATIONS OF GETTING
9 THROUGH CLINICAL TRIALS, WHETHER THEY'VE ACTUALLY
10 STARTED OR NOT DEPENDING ON PACE.

11 DR. FEIGAL: WHAT I'M TALKING ABOUT BEING
12 IN THIS DENOMINATOR ARE THOSE WHERE THERE WILL BE
13 CIRM FUNDING TO COMPLETE THAT FIRST TRANCHE OF
14 CLINICAL TRIALS, SO THAT FIRST-IN-HUMAN CLINICAL
15 TRIAL OR PHASE I-II CLINICAL TRIAL. I'M NOT TALKING
16 ABOUT THOSE THAT DO NOT HAVE THAT FUNDING AT THE
17 CURRENT TIME. THEY MAY BE FUNDED TO BE A
18 DEVELOPMENT CANDIDATE. THEY MAY BE FUNDED TO WITHIN
19 THREE TO FOUR YEARS FILE AN IND, BUT I'M TALKING FOR
20 THOSE PROJECTS THAT ACTUALLY HAVE COMMITMENT FROM
21 CIRM TO CONTINUE TO COMPLETE A CLINICAL TRIAL.

22 SO I AM INDEED JUST TALKING ABOUT THOSE
23 THAT ALREADY HAVE FUNDING TO COMPLETE THAT FIRST SET
24 OF CLINICAL TRIALS. AND WE'RE TALKING ABOUT SHOULD
25 THEY NEED A PHASE II.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: THANK YOU.

2 DR. Krontiris: TWO THINGS. ONE, AS I
3 LOOK AT THIS LIST, I WOULD THINK THAT REALLY ALL BUT
4 THE NEXT TO THE LAST POINT WERE CONSIDERED IN ITS
5 ORIGINAL REVIEW.

6 DR. Feigal: I WOULD SAY BULLET 2, A VERY
7 CLEAR AND STRONG PLAN FOR THE DEVELOPMENT PATHWAY,
8 WOULD BE NEW AND NOT SOMETHING THAT WAS EMPHASIZED
9 AT THE ORIGINAL REVIEW. AND I WOULD SAY THE LAST --
10 WELL, THE FOURTH BULLET, THAT IT HAS TO HAVE AN
11 ACCEPTABLE BIOMARKER, WOULD ALSO BE NEW, AND THAT'S
12 SOMETHING FOR YOU TO TALK ABOUT. AND THE LAST
13 BULLET ABOUT THE TEAM, WE WILL HAVE ACTUALLY
14 TANGIBLE EVIDENCE OF HOW THAT TEAM IS WORKING
15 BECAUSE THEY'RE ALREADY FUNDED.

16 DR. Krontiris: THANK YOU.

17 THE SECOND THING IS REALLY I GUESS TO, IF
18 IT'S TRUE TO SAY EXPLICITLY, THAT YOU'VE ESSENTIALLY
19 GIVEN US YOUR BEST GUESS AND YOUR BEST BET AT THIS
20 POINT OF THE 23 PROJECTS THAT ARE OUT THERE, THAT 14
21 HAVE ASPIRATIONS, IT'S YOUR BEST GUESS RIGHT NOW
22 THAT WE SHOULD BE PLANNING FOR DEALING WITH SIX TO
23 EIGHT, PERIOD. THAT'S THE LIKELIHOOD RIGHT NOW?

24 DR. Feigal: WHAT WE'RE TALKING ABOUT IS
25 FOR AN ACCELERATED PATHWAY, WHICH ONES, IF THESE ARE

BARRISTERS' REPORTING SERVICE

1 THE CRITERIA THAT YOU THINK ARE THE APPROPRIATE
2 CRITERIA TO BE LOOKING AT, WE THINK THAT YOU SHOULD
3 BE ABLE, WE THINK, TO IDENTIFY SIX TO EIGHT FROM
4 AMONG THAT DENOMINATOR. THAT DOESN'T MEAN THE
5 OTHERS WON'T CONTINUE TO GO FORWARD. THEY JUST
6 WON'T BE ON AN ACCELERATED PATHWAY AT THIS POINT IN
7 TIME.

8 DR. KRONIRIS: BUT BECAUSE WE'RE TALKING
9 ABOUT PRIORITIES AND SET ASIDES AND THAT SORT OF
10 THING, YOUR BEST GUESS RIGHT NOW IS IT'S NOT GOING
11 TO BE 14 OR 10. YOU CAN'T AT THIS POINT SAY WHICH
12 SIX OR EIGHT WILL BE IN THAT GROUP, BUT THAT'S
13 PROBABLY LIKELY TO BE WHAT WE'LL BE DEALING WITH AND
14 THAT WE SHOULD BE THINKING ABOUT IN OUR OWN MINDS
15 THE AMOUNT OF MONEY WE'RE GOING TO NEED TO HAVE
16 AROUND TO SUPPORT THEM TO GO THROUGH THEIR REQUISITE
17 CLINICAL ACTIVITIES.

18 DR. FEIGAL: YES. WHAT I WAS SAYING IS
19 THEY'RE ALREADY FUNDED TO GO THROUGH THE PHASE I OR
20 PHASE I-II WITH CIRM FUNDING RIGHT AT THIS POINT IN
21 TIME.

22 DR. HAWGOOD: THIS IS VERY MUCH A CARROT
23 APPROACH TO PRIORITIZATION, AND I HAVE ABSOLUTELY NO
24 PROBLEM WITH IT WHATSOEVER. BUT I HAVE TO ADMIT,
25 WHEN WE WERE TALKING THIS MORNING, I THOUGHT THAT

BARRISTERS' REPORTING SERVICE

1 OUR EMPHASIS ON PRIORITIZATION WAS MORE OF, WELL, AT
2 LEAST WOULD HAVE A STICK COMPONENT TO IT. THAT IS,
3 A MORE RIGOROUS FEET TO THE FIRE FOR ALL 23 IN TERMS
4 OF MILESTONES. I KNOW WE DO THAT, BUT I THOUGHT,
5 JUST AS WE'RE ACCELERATING POTENTIALLY HIGHLY
6 SUCCESSFUL PROGRAMS, WE WOULD BE LOOKING WITH
7 INCREASED RIGOR IN TERMS OF PRIORITIZATION OF
8 PROGRAMS THAT WERE NOT MOVING FORWARD ADEQUATELY TO
9 FREE UP MONIES TO MOVE INTO THAT CATEGORY. AND IS
10 THAT PART OF THIS, OR DO I TAKE THAT JUST AS A
11 GIVEN?

12 DR. FEIGAL: WE HAVE BEEN DOING THAT. AS
13 I SAID EARLIER, WE HAVE TERMINATED PROGRAMS. WE
14 HAVE REDUCED SCOPE AND BUDGET. AND WE HAVE OTHER
15 THINGS THAT WE'RE DOING TO BRING MONEY BACK INTO
16 CIRM, AND WE HAVE BEEN DOING THAT.

17 DR. HAWGOOD: I GUESS MY QUESTION IS IS
18 THERE AN ADDED EMPHASIS ON THAT?

19 DR. FEIGAL: I THINK WE'RE GOING TO BE
20 MORE AND MORE ADEPT AT BEING ABLE TO DO THAT AS
21 WE'VE LEARNED WITH HOW TO DO IT WITH THE FIRST
22 COHORT OF DISEASE TEAMS. AS YOU CAN IMAGINE, WE'RE
23 NOT A BUSINESS. AND TRYING TO IMPOSE MILESTONES AND
24 SUCCESS CRITERIA, I CAN SAY OUR INITIAL SET OF
25 DISCUSSIONS WITH ACADEMIC INVESTIGATORS WAS A BIT

BARRISTERS' REPORTING SERVICE

1 LIKE A DEER IN THE HEADLIGHTS. AND I THINK AS WE
2 GOT TO A MUTUAL UNDERSTANDING, THAT ACTUALLY IF YOU
3 ARE SUCCESSFUL, WE'RE SUCCESSFUL, THERE WAS AN
4 UNDERSTANDING THAT WE'RE ACTUALLY TRYING TO HELP
5 YOU. AND I THINK THAT'S BEEN ENORMOUSLY PRODUCTIVE,
6 AND I THINK WE CAN CONTINUE TO ENHANCE THAT AS WE
7 MOVE FORWARD.

8 DR. HAWGOOD: I CAN UNDERSTAND THE
9 CULTURAL ISSUES YOU HAVE TO DEAL WITH AND THE
10 DIFFICULTIES. TO BE HONEST, THAT WAS WHAT I THOUGHT
11 WE WERE TALKING ABOUT THIS MORNING. AND THIS IS --

12 DR. FEIGAL: THIS IS MORE OF A CARROT.
13 THIS IS ACTUALLY MORE OF A CARROT APPROACH, AND
14 THAT'S WHAT I THINK WASN'T CLEAR AS WELL FROM MY
15 END. I KEPT ON HEARING PEOPLE THOUGHT I WAS GOING
16 TO KILL THINGS PERHAPS UNNECESSARILY, AND THAT
17 REALLY IS NOT WHAT WE'RE TALKING ABOUT. WE HAVE A
18 RIGOROUS PROCESS. COULD WE BE MORE RIGOROUS?
19 PROBABLY. BUT WE WERE TALKING MORE ABOUT A CARROT
20 APPROACH FOR THOSE THAT ARE THE MOST PROMISING TO
21 ACTUALLY FIGURE OUT AN ACCELERATED, UNIMPEDED WAY
22 FOR THEM TO BE SUCCESSFUL.

23 DR. JUELSGAARD: JUST SOME POINTS OF
24 CLARIFICATION, ELLEN. SO THE FIRST IS, JUST SO I
25 UNDERSTAND IT, WE HAVE CURRENTLY 13 PROJECTS THAT

BARRISTERS' REPORTING SERVICE

1 HAVE BEEN FUNDED THROUGH THE END OF A PHASE I TRIAL,
2 AND THAT IN THOSE APPROVALS, WE HAVE SEEN THE SCOPE
3 AND SIZE OF THE PHASE I TRIAL AND HAVE AGREED THAT
4 THOSE ARE APPROPRIATE PHASE I TRIALS SIZED FOR THOSE
5 PARTICULAR POTENTIAL THERAPEUTICS; IS THAT RIGHT?

6 DR. FEIGAL: WE HAVE 23 FUNDED DISEASE
7 PROGRAMS. OF THOSE, THERE'S A LARGER NUMBER THAN
8 14. THERE'S ACTUALLY PROBABLY CLOSER TO 18 THAT
9 HAVE BEEN FUNDED TO GO THROUGH CLINICAL TRIALS. WE
10 THINK IN TERMS OF WORKING WITH THE PROGRAMS, THAT
11 IT'S PROBABLY CLOSER TO THE NUMBER OF 14. SO THAT'S
12 THE ANSWER TO YOU.

13 DR. JUELSGAARD: SO THE ANSWER TO MY
14 QUESTION, IS YES THE SHORT ANSWER?

15 DR. FEIGAL: WELL, THE SHORT ANSWER --
16 WELL, IT'S NOT 13 IS WHAT I WAS TRYING TO GET AT.

17 DR. JUELSGAARD: WELL, THEN, IT'S AT LEAST
18 13.

19 DR. FEIGAL: CORRECT.

20 DR. JUELSGAARD: OKAY. GREAT. SO I WANT
21 TO COME BACK TO A QUESTIONS THAT WAS ASKED EARLIER
22 ABOUT THE DIFFERENCE BETWEEN WHAT'S BEING PROPOSED
23 HERE AND WHAT WE'VE ASKED FOR BEFORE. AND THE SET
24 POINT YOU MADE IS WE STARTED WITH NO. 2, CLEAR AND
25 STRONG PLAN FOR THE DEVELOPMENT PATHWAY. SO THAT'S

BARRISTERS' REPORTING SERVICE

1 SOMETHING NEW, WHICH I PROBABLY AGREE WITH. SO
2 WE'RE THEN GOING TO REQUIRE NEW SUBMISSIONS FROM
3 THESE PEOPLE BASED ON THESE CRITERIA, I TAKE IT, IN
4 ORDER TO BE ABLE TO EVALUATE THEM?

5 DR. FEIGAL: WHAT WE'RE GOING TO DO, WE
6 WERE WAITING TO SEE HOW THIS BOARD DECIDED TO DO
7 THINGS, BUT WE HAVE A MEETING SCHEDULED NEXT WEEK
8 INTERNALLY TO TALK ABOUT THE TYPES OF INFORMATION IN
9 ADDITION TO WHAT WE ALREADY HAVE FROM THE TEAMS THAT
10 WOULD BE USEFUL. BUT WE FIRST WANTED TO HAVE THIS
11 DISCUSSION AT THE BOARD BEFORE WE WENT INTO DEPTH ON
12 THAT. BUT THERE WILL MOSTLY LIKELY BE ADDITIONAL
13 INFORMATION THAT THE TEAMS WILL HAVE TO PROVIDE, AND
14 THERE WILL BE ADDITIONAL INFORMATION THAT WE IN OUR
15 SCIENTIFIC STAFF WILL HAVE TO PROVIDE IN TERMS OF
16 REALLY LAYING OUT THE MILESTONES, THE BUDGET SPEND,
17 AND HOW THINGS ARE WORKING.

18 DR. JUELSGAARD: GREAT. THANKS.

19 DR. FEIGAL: SO THE SHORT ANSWER IS YES.

20 DR. STEWARD: I'M NOT SURE WHAT ORDER TO
21 RAISE SOME OF THESE QUESTIONS, BUT I'M ACTUALLY
22 GOING TO JUST SORT OF START WITH ONE OF YOUR FIRST
23 SLIDES AFTER THE DISCUSSION PART. SO THIS IS WITH
24 REGARD TO WHO WILL REVIEW AND HOW.

25 SO IF YOU COULD JUST UNPACK A LITTLE BIT

BARRISTERS' REPORTING SERVICE

1 HOW YOU IMAGINE THIS GOING FORWARD. YOU HAVE X
2 NUMBER OF CANDIDATES. WOULD THE GRANTS WORKING
3 GROUP BE PRESENTED WITH ALL OF THE CANDIDATES TO
4 SORT ESSENTIALLY? AND ACTUALLY AS PART OF THAT, ARE
5 WE REALLY SURE THAT SIX TO EIGHT IS THE RIGHT
6 NUMBER? IT MIGHT BE TWO. IT MIGHT BE THREE.

7 DR. FEIGAL: I'M SORRY TO INTERRUPT YOU.
8 GO AHEAD.

9 DR. STEWARD: AND SO I'M A LITTLE
10 CONCERNED WITH THE GRANTS WORKING GROUP BEING
11 INFORMED THAT THEY NEED TO CHOOSE SIX OR EIGHT. I'D
12 BE MUCH MORE COMFORTABLE WITH THE MORE OPEN QUESTION
13 OF HOW MANY, IF ANY, ARE ELIGIBLE FOR THIS KIND OF
14 PROCESS.

15 DR. FEIGAL: ABSOLUTELY. JUST FOR
16 PURPOSES OF TRYING TO FIGURE OUT A BUDGET, WE
17 ACTUALLY HAD TO QUANTITATE WHAT THAT NUMBER MIGHT
18 BE. SO WE THINK UP TO SIX TO EIGHT MIGHT BE
19 APPROPRIATE, BUT OBVIOUSLY WOULD LOVE YOUR INPUT. I
20 THINK IN TERMS OF THE PROCESS, WHAT WE TRY TO DO,
21 WE'RE GOING TO CONTINUE TO DO OUR CDAP ASSESSMENTS
22 AS WE'VE ALWAYS DONE. AND WE'RE GOING TO GLEAN
23 INFORMATION FROM THOSE INTERACTIVE DISCUSSIONS AND
24 FROM OUR OWN SCIENTIFIC STAFF INTERACTIONS WITH THE
25 TEAM OF HOW THESE TEAMS ARE DOING. WE'LL HAVE THAT

BARRISTERS' REPORTING SERVICE

1 INFORMATION TO COMPILE.

2 WHAT WE THOUGHT WE HEARD AT THE SCIENTIFIC
3 SUBCOMMITTEE IS THAT, AT LEAST FROM THAT PARTICULAR
4 GROUP, THEY DID NOT WANT A PRELIMINARY CUT BEFORE
5 THE GRANTS WORKING GROUP HAD A CHANCE TO LOOK AT IT.
6 SO THAT'S WHY I DIDN'T BRING THAT UP. THERE COULD
7 HAVE BEEN A TRIAGING THAT WAS DONE BEFORE IT GOES TO
8 THE GRANTS WORKING GROUP, BUT WHAT I THOUGHT I HEARD
9 IS YOU DON'T WANT THAT TRIAGING. YOU JUST WANT US
10 TO BRING FORWARD THE INFORMATION ABOUT HOW THEY'RE
11 DOING, WHAT THE ASSESSMENTS HAVE BEEN, AND WE LEAVE
12 IT TO A WORKING GROUP THAT EVERYBODY ON THE BOARD IS
13 FAMILIAR WITH, AND THEN A PROCESS WHERE
14 RECOMMENDATIONS GET BROUGHT TO THE ICOC, SO USE A
15 PROCESS THAT PEOPLE ARE COMFORTABLE WITH.

16 SO THAT'S WHY I BROUGHT IT FORWARD IN THAT
17 WAY. IT WOULD BE A GRANTS WORKING GROUP THAT WOULD
18 GET THE DENOMINATOR OF PROJECTS WITH THAT ADDITIONAL
19 SUPPLEMENTAL INFORMATION. THAT GRANT WORKING GROUP
20 WOULD MAKE THE RECOMMENDATIONS. WE MAY DECIDE
21 THERE'S QUESTIONS THAT NEED TO GO BACK TO THE TEAM.
22 I THINK IF WE DO 14 OR 18, IT'S NOT GOING TO BE
23 POSSIBLE TO MARCH THEM IN IN PERSON TO HAVE TWO TO
24 THREE HOURS PER TEAM. THAT WILL TAKE US MONTHS TO
25 GET SOMETHING LIKE THAT DONE. MAYBE THERE'S SOME

BARRISTERS' REPORTING SERVICE

1 WAY THAT WE CAN HAVE AN EXCHANGE OF INFORMATION BY
2 EMAIL OR TELECON TO ANSWER CLARIFYING QUESTIONS.
3 AND THEN THE GRANTS WORKING GROUP IS GOING TO COME
4 UP WITH RECOMMENDATIONS. AND THEN, JUST LIKE WE
5 ALWAYS DO, IT'S GOING TO BE BROUGHT TO THE ICOC FOR
6 THE FINAL DECISION.

7 DR. STEWARD: ONE OTHER FOLLOW-UP, IF I
8 COULD. SO ONE COULD EASILY IMAGINE THAT IN EARLY
9 2014 THE LIST IS GOING TO LOOK LIKE X, AND THERE
10 WILL BE Y THAT ARE REALLY ELIGIBLE, BUT IT COULD BE
11 THAT BY THE END OF 2014, THERE REALLY COULD BE
12 ANOTHER TWO OR WHATEVER COMING THROUGH, AND ALL OF A
13 SUDDEN THEY LOOK EVEN BETTER. AND SO MY QUESTION IS
14 IS THIS A ONE-TIME THING THAT WE'RE KIND OF
15 IDENTIFYING THE POTENTIAL WINNERS, OR IS THIS GOING
16 TO BE AN ITERATIVE APPROACH?

17 DR. FEIGAL: I DON'T THINK SO. I THINK IT
18 COULD BE ITERATIVE. I THINK IF WE'RE THINKING ABOUT
19 HERE'S WHAT WE HAVE RIGHT NOW, BUT ABSOLUTELY, IF
20 THERE'S SOMETHING EXTERNAL THAT COMES IN THAT'S
21 MATURE, THERE SHOULD BE -- WE HAVE TO FIGURE OUT IN
22 THE PROCESS WHERE IT COMES IN, BUT WE DO WANT TO
23 LEAVE A WINDOW OPEN FOR PEOPLE WHO ARE COMING IN
24 LATER.

25 MR. SHEEHY: I THINK ACTUALLY DR. FEIGAL

BARRISTERS' REPORTING SERVICE

1 HAS DONE A PRETTY GOOD JOB OF CAPTURING A LOT OF THE
2 CONCERNS THAT WERE RAISED AT THE SCIENCE
3 SUBCOMMITTEE. IT FEELS TO ME LIKE A PRETTY GOOD
4 PROCESS, AND THE CRITERIA SEEM REASONABLE.

5 THE ONLY THING THAT I MIGHT ADD IS I
6 WONDER IF WE WANT TO CONSIDER WE HAVE 260 MILLION OF
7 UNALLOCATED DEVELOPMENT MONEY. AND I WONDER IF WE
8 WOULD LIKE TO TAKE PERHAPS ANOTHER HUNDRED MILLION
9 OUT OF THAT AND ADD IT TO THIS POT JUST TO MAKE SURE
10 THAT, FIRST OF ALL, WE CLEARLY SEND A SIGNAL THAT
11 THIS FIRST TRANCHE, THAT WILL COMMUNICATE THE
12 POROUSNESS OF THE PIPELINE. I HAVE A FEELING THAT
13 IF THIS IS SUCCESSFUL, YOU'RE GOING TO DO THAT
14 ANYWAY. BUT I THINK THAT BOTH THE PROCESS GOING
15 THROUGH THE GRANTS WORKING GROUP AND THEN COMING TO
16 THE BOARD AND THE FACT THAT WE ARE CLEAR ABOUT THIS
17 POROUS WINDOW WILL KIND OF ALLEVIATE SOME OF THE
18 CONCERNS OF SOME OF THE PROJECTS THAT AREN'T QUITE
19 THERE YET, THAT THEY'RE GOING TO BE LEFT STANDING AT
20 THE ALTER. DOES THAT SOUND REASONABLE?

21 DR. FEIGAL: IF YOU'RE INCLUDING IN YOUR
22 DEFINITION OF SET ASIDE EXTERNAL THINGS THAT COULD
23 COME IN LATER. IS THAT WHAT YOU'RE THINKING OF? OR
24 ARE YOU STILL THINKING JUST THE SIX TO EIGHT?

25 MR. SHEEHY: I'M THINKING OF OTHER

BARRISTERS' REPORTING SERVICE

1 PROJECTS IN OUR PIPELINE THAT MIGHT MAKE PROGRESS.
2 FOR INSTANCE, WE'RE TALKING ABOUT 14 PROJECTS. WE
3 PICK SIX TO EIGHT, BUT ALL OF THOSE ARE GOING INTO
4 PHASE I. SOME OF THESE ARE GOING TO DROP OUT. I
5 HAVE A FEELING SOME OF THESE PROJECTS, AND I DON'T
6 KNOW IF THEY'LL GET SELECTED, BUT SOME OF THESE
7 PROJECTS ARE PARTICULARLY RIPE FOR FOLLOW-ON
8 FUNDING. IF THEY GET THROUGH PHASE I, THEY'RE
9 ALMOST CERTAIN TO GET EXTERNAL FUNDING AND WOULD NO
10 LONGER NEED OUR SUPPORT.

11 SO I THINK THAT THERE'S A WHOLE MATRIX OF
12 SORTS OF THINGS THAT WOULD GO ON THAT COULD KIND OF
13 CHALLENGE, THAT WE CHANGE WHAT WE WOULD END UP WITH
14 AT THE END OF THE DAY.

15 DR. TROUNSON: I JUST WANTED TO SAY THAT I
16 THINK WE'RE NOT EXCLUDING ANY OF THE PROJECTS THAT
17 WERE PUT IN. IT'S JUST THAT THERE ARE SOME CANCER
18 PROJECTS. THE STEM CELL THERAPIES MEANS ALL OF OUR
19 PROJECTS. I JUST WANTED TO MAKE SURE.

20 DR. FEIGAL: I'M BEING INCLUSIVE. I'M NOT
21 TALKING ABOUT THE PARTICULAR -- WHEN I SAY WHERE,
22 BASICALLY WE'RE SAYING WHERE THE CONNECTION IS
23 STRONG AND COMPELLING. IT MAY BE THE CANCER STEM
24 CELL; IT MAY BE THE CELL THERAPY APPROACH. THIS IS
25 A BROAD TERM, AND WE CAN REFINE IT, BUT WE'RE NOT

BARRISTERS' REPORTING SERVICE

1 FILTERING THE DENOMINATOR RIGHT NOW.

2 DR. JUELSGAARD: ELLEN, LET ME JUST SORT
3 OF SECOND WHAT JEFF HAS SAID, WHICH IS TO ADD MORE
4 MONEY TO THE 200 MILLION FOR A LOT OF THINGS THAT WE
5 JUST DON'T KNOW AND ARE UNFORESEEABLE. FOR EXAMPLE,
6 ONE OF THE THINGS AN ADVISOR MIGHT WELL COME BACK,
7 AND LET'S SAY IT'S IN THE CELL PROCESS OR
8 MANUFACTURING AREA, IS IF INSTEAD OF FOLLOWING THIS
9 PROCESS, WE FOLLOW ANOTHER ONE, WHICH COSTS TWICE AS
10 MUCH, BUT WHICH CUTS THE TIME IN HALF, THAT MIGHT BE
11 MONEY WELL WORTH INVESTING AND WOULD BE A
12 SUPPLEMENTARY GRANT TO THE EXISTING GRANT, FOR
13 EXAMPLE, ETC.

14 SO IF THIS IS GOING TO BE OUR TOP
15 PRIORITY, WHICH IS TO HAVE A PLAN TO TRY AND GET A
16 PRODUCT TO PHASE II PROOF OF CONCEPT STAGE, WE NEED
17 TO MAKE SURE WE HAVE A ROBUST PLAN BEHIND IT THAT
18 HELPS IT SUCCEED AS BEST AS IT CAN, AND THAT
19 INCLUDES A FINANCIAL PLAN.

20 DR. FEIGAL: JUST SO I UNDERSTAND, BECAUSE
21 I'M NOT SURE I DO, ARE YOU LIMITING IT TO THE
22 ENDOGENOUS PIPELINE, OR CAN EXTERNAL THINGS COME ON
23 THAT MIGHT NOT YET BE IN OUR ENDOGENOUS PIPELINE?

24 DR. JUELSGAARD: IF WE HAVE SOMETHING THAT
25 COMES IN FROM THE OUTSIDE THAT WE THINK CAN MAKE IT

BARRISTERS' REPORTING SERVICE

1 TO PHASE II PROOF OF CONCEPT IN THE TIMELINE THAT
2 WE'RE THINKING ABOUT, WE SHOULD DO IT.

3 DR. FEIGAL: I'M JUST SAYING WE NEED TO
4 HAVE -- WE NEED TO HAVE A WAY FOR THEM TO COME IN.
5 SO THAT'S WHY WE'RE THINKING --

6 DR. JUELSGAARD: I AGREE. THIS IS THE
7 UNFORESEEABLE THINGS. MAKE SURE YOU HAVE ENOUGH
8 MONEY BECAUSE, BELIEVE ME, THERE WILL BE SOME OF
9 THOSE THINGS AROUND.

10 DR. STEWARD: I KNOW YOU WANT TO TAKE A
11 BREAK. DO YOU WANT TO DEFER FURTHER DISCUSSION
12 UNTIL AFTER THE BREAK?

13 CHAIRMAN THOMAS: NO, I DON'T WANT TO TAKE
14 A BREAK. I WANT TO CONTINUE ON.

15 DR. STEWARD: SO, JEFF AND STEPHEN, I'M
16 CONCERNED ABOUT THAT AMOUNT OF MONEY FOR EXACTLY THE
17 REASONS THAT I WAS CONCERNED THIS MORNING BECAUSE
18 WHEN WE MAKE A DECISION HERE, WE TAKE IT AWAY FROM
19 THERE, AND THERE'S JUST NO AVOIDING THAT. I GUESS
20 WHAT I WOULD WONDER IS WHETHER WE COULD ACCOMPLISH
21 THE SAME THING BY DOING THIS IN A MORE ITERATIVE
22 WAY. AGAIN, LET'S SAY, SET ASIDE A HUNDRED MILLION
23 NOW AND SEE WHAT HAPPENS IN THE FIRST ROUND OF
24 REVIEW. IF WE NEED MORE, THIS BOARD CAN ALWAYS TAKE
25 ACTION TO SET ASIDE MORE AT A LATER DATE DEPENDING

BARRISTERS' REPORTING SERVICE

1 ON HOW THE THING KIND OF GOES FORWARD.

2 DR. FEIGAL: YOU KNOW WHAT. I DO NEED TO
3 RESPOND TO THAT. THIS 200 IS FOR THE FUTURE.
4 YOU'RE NOT GOING TO KNOW NEXT YEAR ABOUT -- TOO MUCH
5 MORE ABOUT WILL THEY NEED A PHASE II. SO I'M NOT
6 SURE A SHORT AMOUNT OF TIME IS GOING TO BE HELPFUL
7 FOR THAT.

8 CHAIRMAN THOMAS: HOWEVER, IF YOU'RE BACK
9 TO THE BOARD IN THE FIRST HALF OF NEXT YEAR, WE'LL
10 HAVE AN IDEA WHICH PROJECTS AND SOME BALLPARK
11 ESTIMATE OF WHAT WILL BE NEEDED FOR THOSE. SO THAT
12 COULD BETTER INFORM THE CONVERSATION AT THAT POINT.
13 I THINK THAT'S OS' POINT.

14 DR. STEWARD: RIGHT. EXACTLY. IF IT
15 TURNS OUT THAT THE GRANTS WORKING GROUP ONLY
16 RECOMMENDS THREE TO MOVE FORWARD, THAT'S ONE THING.
17 IF THEY SAY, GEE, IT REALLY SHOULD BE MORE THAN
18 EIGHT, THAT'S ANOTHER. I THINK THAT'S THE DECISION
19 WE CAN MAKE AFTER WE'VE HAD A CHANCE TO FEEL THE
20 PULSE OF WHERE THIS ACTUALLY IS.

21 DR. Krontiris: I WOULD LIKE TO EXPRESS MY
22 VERY STRONG AGREEMENT WITH THAT. WE'RE TALKING
23 ABOUT SETTING ASIDE AN ENORMOUS AMOUNT OF MONEY ON
24 THE BASIS OF NO DATA. IT JUST SEEMS PRUDENT TO WAIT
25 A YEAR TO SEE WHAT HAPPENS WITH HOW MANY THINGS ARE

BARRISTERS' REPORTING SERVICE

1 REALLY READY, WHAT REALLY IS GOING TO HAPPEN IN THIS
2 PIPELINE, TO HAVE SOME BETTER SENSE OF HOW TO PUT
3 ASIDE WHAT IS ESSENTIALLY THE REST OF THE MONEY FOR
4 THE REST OF THE YEARS.

5 DR. FEIGAL: THE ONLY CAVEAT, I JUST WANT
6 TO SAY, IS HAVING AN AGREEMENT AHEAD OF TIME BEFORE
7 THE MONEY -- I MEAN WHAT TO MAKE SURE IS THAT THE
8 MONEY IS SET ASIDE SO THAT IT ISN'T SPENT. IF YOU
9 FIND OUT THAT YOU DO HAVE A NUMBER OF PROJECTS THAT
10 CAN GO FORWARD, IT'S JUST PRUDENT TO SET ASIDE SOME
11 MONEY FOR THEM, BUT I LEAVE IT TO YOU ON THE AMOUNT.

12 CHAIRMAN THOMAS: I DO BELIEVE THAT WE
13 WILL BE MUCH BETTER INFORMED TO HAVE THIS DISCUSSION
14 AS TO DOLLAR AMOUNT AS OF THAT BOARD MEETING WHERE
15 YOU BRING BACK TO US THE RESULTS OF THIS EXERCISE.

16 DR. FEIGAL: WHAT YOU ARE SUGGESTING,
17 THEN, IS ACTUALLY AFTER THE GRANTS WORKING GROUP,
18 WITHOUT A DEFINED SET ASIDE, HAVE THEM DO THE
19 ASSESSMENTS AND MAKE THE RECOMMENDATIONS?

20 CHAIRMAN THOMAS: I WOULD THINK THAT WOULD
21 BE WORK -- IT'S NOT AS THOUGH WE'RE GOING TO BE
22 COMMITTING TO A BUNCH OF DIFFERENT RFA'S BETWEEN NOW
23 AND THEN.

24 DR. FEIGAL: THAT'S RIGHT.

25 DR. HAWGOOD: IT'S PROBABLY JUST WORDS,

BARRISTERS' REPORTING SERVICE

1 BUT MAYBE IF WE SET ASIDE SOMETHING IN A STRATEGIC
2 RESERVE RATHER THAN SUGGESTING IT'S NECESSARILY SET
3 ASIDE COMMITTED TO THIS PROGRAM. THEN WE KNOW WE'RE
4 NOT GOING TO SPEND IT, AND WE'LL MAKE A DECISION HOW
5 MUCH GOES TO HERE VERSUS BACK INTO OTHERS. IT, I
6 THINK, JUST PUTS A SLIGHTLY DIFFERENT COMPLEXION ON
7 WHAT WE'RE DOING. IN OTHER WORDS, WE'RE NOT
8 SPECIFICALLY HOLDING X HUNDRED MILLION FOR THIS
9 PURPOSE. WE'RE SPECIFICALLY HOLDING X HUNDRED
10 MILLION FOR A STRATEGIC RESERVE UNTIL WE HAVE
11 DETERMINED HOW MUCH IS SCIENTIFICALLY VALIDLY
12 REQUIRED FOR THIS.

13 CHAIRMAN THOMAS: SO YOU WOULD SAY YOU
14 WOULD LIKE TO SAY 200 MILLION IN A STRATEGIC RESERVE
15 COMMITTED TODAY AS OPPOSED TO WAITING UNTIL WE SEE
16 THE RESULTS OF THIS?

17 DR. HAWGOOD: IT'S SEMANTICS, I REALIZE,
18 BUT I THINK IT HELPS US A LITTLE BIT KEEP THAT
19 FLEXIBILITY.

20 MR. SHEEHY: I'M ALSO SITTING HERE WITH
21 WHAT STEVE SAYS, BUT I THINK FOR ME IT'S MAINLY
22 ABOUT SETTING -- RATHER THAN APPROVING A LOT OF NEW
23 PROJECTS, AND I'M LOOKING AT THE FUTURE RFA, THAT WE
24 REALLY HAVE THE MONEY IN PLACE TO ACCELERATE
25 PROJECTS THROUGH. WE'RE ALL KIND OF SAYING THE SAME

BARRISTERS' REPORTING SERVICE

1 THING, AND I'M JUST BEING A LITTLE BIT CAUTIOUS
2 ABOUT DOING MULTIPLE NEW ROUNDS OF APPROVING LATE
3 STAGE PROJECTS UNTIL WE KNOW WHAT KIND OF SUCCESS
4 WE'RE GOING TO HAVE IN ACCELERATING THEM THROUGH.
5 AND I CAN SEE THIS BECOMING ACTUALLY THE NEW PATHWAY
6 AND USING THIS PROCESS INSTEAD OF, SAY, A DISEASE
7 TEAM PROCESS WHERE WE ACTUALLY CAN KIND OF PUSH
8 PEOPLE A LITTLE HARDER AND A LITTLE FASTER.

9 BUT THE IDEA OF A STRATEGIC RESERVE IS
10 FINE WITH ME. I WANT TO SEE WHAT STEVE THINKS, BUT
11 AT LEAST SETTING SOME ASIDE SO WE KNOW WE HAVE THE
12 CAPABILITY TO EMPLOY THE FIREPOWER TO GET THESE
13 THROUGH.

14 CHAIRMAN THOMAS: STEVE, FINAL WORD.

15 DR. JUELSGAARD: SURE. SO TO THE EXTENT
16 THAT WE DECIDE NOT TO SET ASIDE SOME SIGNIFICANT
17 AMOUNT OF MONEY, THIS KIND OF ECHOES WHAT JEFF SAYS,
18 BUT CARRIES IT EVEN TO A FURTHER POINT. I
19 PERSONALLY WOULD HAVE A HARD TIME VOTING YES ON
20 SPENDING MONEY ON ANYTHING ELSE TILL WE REALLY KNOW
21 THE SIZE AND SCOPE OF THIS BECAUSE I DON'T WANT TO
22 DETRACT FROM BEING ABLE TO FUND THIS IF THIS IS OUR
23 PRIORITY NO. 1. SO ANYTHING THAT MIGHT COME ALONG
24 BETWEEN NOW AND THEN FOR WHICH MONEY IS BEING ASKED,
25 I WOULD PROBABLY ALWAYS SAY NO JUST BECAUSE I DON'T

BARRISTERS' REPORTING SERVICE

1 WANT TO COMPROMISE THE ABILITY TO FUND THIS.

2 CHAIRMAN THOMAS: SO YOU WOULD LIKE TO, IF
3 THERE WERE AN AMOUNT PUT ASIDE, THAT WOULD ASSUAGE
4 YOUR CONCERN?

5 DR. JUELSGAARD: IF THERE WERE AN
6 APPROPRIATE AMOUNT PUT ASIDE, YES.

7 CHAIRMAN THOMAS: 200 MILLION IS ON THE
8 TABLE. PERHAPS THAT'S A COMPROMISE. I JUST HAVE
9 ONE TWO-SECOND QUESTION, ELLEN, WHICH HAS TO DO WITH
10 THE NATURE OF THE GRANTS WORKING GROUP. HOW WOULD
11 YOU POPULATE IT BECAUSE IN MANY SENSES IT'S MORE
12 SORT OF CDAP-Y KIND OF PEOPLE THAT YOU WOULD WANT TO
13 HAVE THAN THE NORMAL GRANTS WORKING GROUP MIX.

14 DR. FEIGAL: THEY WOULD ALL BE VETTED IN A
15 ROBUST FASHION FOR THEIR EXPERTISE. SO THEY'D HAVE
16 TO HAVE SOME KNOWLEDGE OF THE UNDERLYING SCIENCE, OF
17 COURSE. I THINK IT'S STILL IMPORTANT. I DON'T HAVE
18 AN ARBITRARY SEPARATION WITH YOU SUDDENLY CROSS INTO
19 DEVELOPMENT AND YOU DON'T THINK ABOUT THE SCIENCE
20 ANYMORE. I THINK THAT YOU DO NEED PEOPLE WHO HAVE
21 EXPERIENCE WITH PRODUCT DEVELOPMENT, THAT KNOW WHAT
22 THE ISSUES ARE IN GETTING AN IND FILED AND GETTING
23 TO CLINICAL TRIALS, KNOWING THE DISEASE, KNOWING
24 WHAT THE APPROPRIATE END POINTS ARE FOR THOSE
25 DISEASES, THINKING ABOUT OPERATIONAL ISSUES. I

BARRISTERS' REPORTING SERVICE

1 THINK WE KNOW WHO THOSE PEOPLE ARE WHO COULD BE PART
2 OF THAT GRANTS WORKING GROUP.

3 SO I SEE -- BY LEGAL CONSTRAINTS, WE
4 PROBABLY HAVE TO HAVE THE SAME NUMBER WE ALWAYS HAVE
5 FOR GRANTS WORKING GROUP, BUT WE HAVE ACCESS TO THE
6 TYPES OF EXPERTISE THAT WOULD BE NEEDED.

7 CHAIRMAN THOMAS: OKAY. I WANTED TO MAKE
8 CLEAR EVERYBODY UNDERSTANDS THIS ISN'T GOING TO BE
9 YOUR FATHER'S GRANTS WORKING GROUP. IT'S GOING TO
10 BE A BIT DIFFERENT.

11 SO WOULD SOMEBODY LIKE TO MAKE A MOTION?

12 DR. HAWGOOD: I MOVE THAT WE PUT \$200
13 MILLION ASIDE INTO AN UNCOMMITTED STRATEGIC RESERVE
14 UNTIL SUCH TIME AS WE HAVE THE RESULTS OF THE
15 WORKING GROUP REVIEW OF OUR PIPELINE.

16 DR. DULIEGE: I SECOND.

17 MR. SHEEHY: DO WE ALSO WANT TO ADOPT THIS
18 PROCESS? DON'T WE NEED TO TAKE ACTION ON THIS
19 PROCESS?

20 I JUST WANTED TO CHECK WITH STEVE BECAUSE
21 I WAS ACTUALLY PUSHING FOR HIGHER. I THOUGHT STEVE
22 WAS TOO.

23 CHAIRMAN THOMAS: YOU'RE FREE TO AMEND.

24 MR. SHEEHY: I WANT TO GET HIS OPINION
25 BECAUSE HE'S THE ONE THAT'S BEEN GIVING ME THE

BARRISTERS' REPORTING SERVICE

1 NUMBERS THAT ARE MAKING ME LOOK SKYWARD.

2 DR. JUELSGAARD: I'VE SAID THIS BEFORE. I
3 THINK THE CONSTANT DANGER IS UNDERESTIMATING BOTH
4 TIME AND MONEY TO GET TO WHERE YOU WANT TO GO IN THE
5 AREA OF CLINICAL DEVELOPMENT. I APPRECIATE THAT 200
6 MAY BE THE RIGHT AMOUNT OF MONEY. I MUCH PREFER TO
7 SET ASIDE 300 MILLION AND GIVE SOME MONEY BACK AT
8 THE END THAN TO HAVE 200 MILLION AND THEN WE FIND
9 OURSELVES HAVING SPENT IT IN OTHER PLACES AND DON'T
10 HAVE IT AVAILABLE. I'M THE \$300 MILLION ADVOCATE,
11 BUT THE MOTION IS FOR 200 MILLION RIGHT NOW.

12 MR. SHEEHY: WOULD THE MAKER ACCEPT A
13 FRIENDLY AMENDMENT TO THAT?

14 DR. KRONIRIS: I THINK THAT 200 MILLION
15 IS FINE. I THINK THAT IF THERE NOTHING ELSE THAT WE
16 COULD DO TODAY TO SPEND THAT MONEY PROFITABLY, THAT
17 WOULD BE A REASONABLE THING TO DO. BUT TO TIE UP
18 THAT MONEY AND THEN SAY I'D BE HAPPY GIVING IT BACK
19 AT THE END, I DON'T THINK, IS THE PROPER WAY TO
20 PROCEED. 200 MILLION IS A LOT OF MONEY. AND IT'S
21 NOT REALLY CLEAR TO ME HOW THE FOUR OR FIVE TRIALS
22 THAT ARE -- PROJECTS THAT ARE ACTUALLY GOING TO NEED
23 IT TO GET THROUGH IN THE NEXT COUPLE OF YEARS ARE
24 GOING TO EVEN EAT UP ALL OF THAT MONEY. SO IT SEEMS
25 LIKE A REASONABLE AMOUNT TO LEAVE IT AT.

BARRISTERS' REPORTING SERVICE

1 DR. JUELSGAARD: I THINK I EXPRESSED THESE
2 COSTS EARLIER THIS MORNING. I DON'T THINK YOU WERE
3 HERE.

4 DR. KRONIRIS: I'VE BEEN HERE ALL
5 MORNING, AND I HEARD YOUR DISCUSSION.

6 DR. JUELSGAARD: SO I'M JUST USING AVERAGE
7 BIOTECH/PHARMA COSTS OF \$36 MILLION A TRIAL FOR
8 PHASE II AND ALMOST 20 MILLION FOR PHASE I. SO
9 THOSE ARE SOME FAIRLY BIG NUMBERS, AND THAT'S BASED
10 ON -- IF THAT'S BASED ON PROJECTS THAT USE EITHER
11 SMALL MOLECULES OR FOR THE MOST PART ANTIBODIES FOR
12 WHICH THE PROCESS AND MANUFACTURING TECHNOLOGY IS
13 VERY WELL KNOWN, WE HAVE A LONG WAYS TO GO WITH
14 PROCESS AND MANUFACTURING TECHNOLOGY WITH RESPECT TO
15 CELLS. SO THERE'S GOING TO BE -- I BELIEVE THERE'LL
16 BE AN ADDED COST THERE THAT REALLY HASN'T WELL BEEN
17 RECOGNIZED YET.

18 CHAIRMAN THOMAS: I WOULD PROPOSE -- AND
19 I'LL GET A COUPLE MORE COMMENTS HERE. BUT, AGAIN, I
20 THINK WE WILL BE A LOT BETTER INFORMED IN THE
21 SPRING. I WOULD PROPOSE WE GO WITH THE 200 NOW WITH
22 THE PROVISIO THAT WE REVISIT WHEN WE HAVE MUCH MORE
23 DATA AND FEEL FREE TO EXPAND, IF NECESSARY, AT THAT
24 POINT.

25 MS. WINOKUR: I WOULD LIKE A CLEARER

BARRISTERS' REPORTING SERVICE

1 EXPLANATION OF WHAT THE GRANTS WORKING GROUP IS, THE
2 MAKEUP OF IT, BECAUSE WE HAVE A GRANTS WORKING
3 GROUP.

4 DR. FEIGAL: JUST TO BE CLEAR, THE GRANTS
5 WORKING GROUP, THE PEOPLE WHO POPULATE -- WHAT'S
6 THERE IS THE COMPOSITION AND THE TYPES OF EXPERTISE,
7 BUT THE INDIVIDUALS WILL CHANGE DEPENDING ON WHAT IT
8 IS THEY'RE REVIEWING. AND WE HAVE -- PERHAPS GIL
9 COULD, IF YOU'D LIKE, EXPLAIN HOW THE GRANTS WORKING
10 GROUP WORKS, BUT THERE WOULD STILL BE PATIENT
11 ADVOCATES THAT WOULD BE JUST LIKE THERE IS NOW, BUT
12 THE EXPERTS WOULD BE CHOSEN AMONG THE PEOPLE WHO
13 HAVE ALREADY BEEN VETTED TO BE AN EXPERT FOR THE
14 GRANTS WORKING GROUP. SO THOSE ARE THE PEOPLE FROM
15 WHOM WE WILL DRAW.

16 MS. WINOKUR: IN ADDITION TO THE ONES ON
17 THE GRANTS WORKING GROUP NOW?

18 DR. FEIGAL: I'M SAYING THAT WE THINK,
19 EVEN WITHIN THE EXISTING POOL OF GRANTS WORKING
20 GROUP, WE'LL BE ABLE TO DRAW FROM THAT. IF WE FEEL
21 WE NEED ADDITIONAL, WE WILL COME TO BOARD AND ASK
22 THAT THEY BE ADDED TO THE POOL THAT COULD BE PART OF
23 GWG.

24 DR. BRENNER: I THINK THERE MIGHT BE A
25 LITTLE CONFUSION. WHEN WE STARTED FIVE HOURS AGO,

BARRISTERS' REPORTING SERVICE

1 WE WERE TALKING ABOUT --

2 CHAIRMAN THOMAS: AND TWO SLIDES AGO.

3 DR. BRENNER: TWO SLIDES AND FIVE HOURS
4 AGO WE WERE TALKING ABOUT HOW WE WOULD GET PROPOSALS
5 THROUGH AN IND AND GIVING THEM HELP AND EXPERTISE TO
6 DO THAT. AND THEN NOW WE'RE TALKING ABOUT ACTUALLY
7 FUNDING THEM THROUGH PHASE II. SO COULD WE BE
8 REALLY CLEAR ABOUT WHAT WE'RE PROPOSING HERE?

9 DR. FEIGAL: LET ME JUST BE -- LET ME JUST
10 REITERATE. THE DENOMINATOR OF PROJECTS THAT WE'D BE
11 LOOKING AT ARE THOSE PROJECTS FROM DISEASE TEAMS OR
12 STRATEGIC PARTNERS. OUR DISEASE TEAMS AND STRATEGIC
13 PARTNERS DO FUND THAT JUNCTURE GETTING TO AN IND
14 FILING AND COMPLETING AN EARLY PHASE CLINICAL TRIAL,
15 AND THEY HAVE MILESTONES THERE. THAT'S WHAT DISEASE
16 TEAMS AND STRATEGIC PARTNERSHIPS ARE ALL ABOUT. SO
17 THAT IS THE DENOMINATOR OF PROJECTS THAT WE'RE
18 TALKING ABOUT.

19 DR. BRENNER: SO THAT'S NOT WHAT WE JUST
20 SAID JUST A SECOND AGO, WHICH WAS PHASE II TRIALS.

21 DR. FEIGAL: NO. NO. ACTUALLY WE ARE
22 ALMOST ON THE SAME PAGE. WHAT WE'RE SAYING IS FOR
23 THOSE PROJECTS THAT MAY NEED A PHASE II IN THE
24 FUTURE, NOT RIGHT THIS INSTANT, BUT IF THEY GET
25 THROUGH THEIR PHASE I -- YOU'RE FROWNING ALREADY.

BARRISTERS' REPORTING SERVICE

1 WHAT I'M SAYING IS CLINICAL TRIALS ADVANCE, IND
2 FILING, YOU DO YOUR FIRST IN HUMAN. IF THAT WORKS
3 WITH SAFETY, YOU CAN GO TO A PHASE II TO GET YOUR
4 EVIDENCE OF EFFICACY. THESE CLINICAL TRIALS ARE
5 FUNDED THROUGH EITHER THE PHASE I OR FOR SOME OF
6 THEM THE PHASE I-II. THEY'RE GOING TO GET DATA FROM
7 THAT INFORMATION.

8 WHAT WE'RE TALKING ABOUT IS SETTING ASIDE
9 THE FUNDING, SHOULD THEY MEET MILESTONES, SHOULD
10 THEY BE SUCCESSFUL, THAT THE MONEY IS SITTING THERE
11 FOR THEM TO DO THAT PHASE II CLINICAL TRIAL. THAT'S
12 WHAT WE'RE TALKING ABOUT.

13 IN ADDITION, AS STEVE BROUGHT UP,
14 SOMETIMES THERE'S STUFF THAT HAPPENS DURING
15 DEVELOPMENT. WE MAY NEED TO WORK ON PROCESS
16 DEVELOPMENT. WE MAY NEED TO DO ADDITIONAL THINGS TO
17 WORK ON ENROLLMENT FOR THE PATIENT POPULATION OF
18 INTEREST. THERE MAY BE THINGS THAT ARE ADDED COST
19 THAT WEREN'T IN THEIR ORIGINAL GRANT APPLICATION
20 THAT ARE NECESSARY TO ENABLE THEM TO GET TO WHERE
21 THEY NEED TO GO. AND SO THAT 200 SET ASIDE COULD
22 ALSO BE USEFUL FOR THAT.

23 SO I THINK ACTUALLY WE ARE ON THE SAME
24 PAGE, I HOPE, BUT THESE ARE FOR FUTURE NEEDS THAT
25 AREN'T ALREADY ARTICULATED IN THEIR CURRENT GRANT

BARRISTERS' REPORTING SERVICE

1 AWARD, IF THAT MAKES IT CLEARER. MAYBE NOT. I
2 TRIED.

3 CHAIRMAN THOMAS: OKAY. I WOULD LIKE TO
4 ASK THE PROPOSERS OF THE MOTION IF THEY WOULD TAKE A
5 FRIENDLY AMENDMENT THAT ENCOMPASSED THE APPROVAL OF
6 THE SET OF CRITERIA IN ADDITION TO THE FUNDING
7 AMOUNT.

8 DR. HAWGOOD: HAPPY TO DO THAT.

9 CHAIRMAN THOMAS: WHO WAS OUR SECOND?

10 DR. DULIEGE: YES.

11 CHAIRMAN THOMAS: ANY COMMENTS BY MEMBERS
12 ON THE PHONE? HEARING NONE, ANY COMMENTS BY MEMBERS
13 OF THE PUBLIC? SEEING NONE, JAMES, PLEASE RESTATE
14 THE MOTION AND THEN, MARIA, WOULD YOU CALL THE ROLL.

15 MR. HARRISON: AS I UNDERSTAND IT, THE
16 MOTION IS TO APPROVE THE PROCESS AND CRITERIA FOR
17 THE ACCELERATED DEVELOPMENT PATHWAY AND TO A SET
18 ASIDE 200 MILLION TO AN UNCOMMITTED STRATEGIC
19 RESERVE UNTIL SUCH TIME AS THE BOARD CONSIDERS THE
20 GRANTS WORKING GROUP'S RECOMMENDATIONS REGARDING
21 CANDIDATES FOR THE ACCELERATED DEVELOPMENT PATHWAY.

22 CHAIRMAN THOMAS: WELL PUT, MR. HARRISON.
23 EXACTLY WHAT I THOUGHT IT WAS.

24 DR. STEWARD: I'M SORRY. YOU JUST THREW A
25 CURVE. I HAVE TO SAY I THINK THAT THERE ARE SOME

BARRISTERS' REPORTING SERVICE

1 ISSUES THAT STILL DESERVE DISCUSSION IN TERMS OF THE
2 CRITERIA. I'M GOING TO HAVE TO VOTE NO ON THAT
3 MOTION BECAUSE I'M JUST A LITTLE BIT CONCERNED ABOUT
4 SOME OF THE DETAILS. I DON'T KNOW WHETHER YOU WANT
5 TO EXTEND THE DISCUSSION RIGHT NOW.

6 CHAIRMAN THOMAS: IF IT MEANS PEOPLE ARE
7 GOING TO VOTE NO BECAUSE IT'S NOT CLEAR, EVEN THOUGH
8 MARIA IS GOING TO KILL ME, LET'S JUST DO IT.

9 DR. STEWARD: SO, FOR EXAMPLE, I'M A
10 LITTLE UNCERTAIN, FOR EXAMPLE, ON THESE CRITERIA.
11 AS YOU SAID, THEY'RE OPTIONS TO CONSIDER, AND WE
12 REALLY HAVEN'T CONSIDERED THEM. THERE'S A LIST
13 THERE, BUT WE HAVEN'T DISCUSSED THEM AT ALL. I
14 GUESS I'M NOT NECESSARILY OPPOSED TO THEM, BUT I'M
15 JUST NOT PREPARED TO VOTE FOR THEM AT THIS POINT IN
16 TIME.

17 THE FIRST ONE -- FOR EXAMPLE, WHAT DOES IT
18 MEAN TO HAVE A MAJOR IMPACT?

19 DR. FEIGAL: WELL, SOMETHING THAT IS NOT
20 INCREMENTAL AS A POTENTIAL. IT'S NOT SAYING THAT
21 PARTICULAR CLINICAL TRIAL WILL SHOW A MAJOR IMPACT,
22 BUT THE POTENTIAL FOR WHERE IT COULD GO, THAT THE
23 INVESTIGATORS ARE ACTUALLY THINKING ABOUT SOMETHING
24 THAT COULD BE IMPACTFUL. IT'S A PRETTY BROAD
25 STATEMENT.

BARRISTERS' REPORTING SERVICE

1 DR. STEWARD: IT'S A REALLY BROAD
2 STATEMENT. IF I WAS SITTING ON THE GRANTS REVIEW
3 COMMITTEE, I WOULDN'T KNOW WHAT YOU MEANT.

4 DR. FEIGAL: JUST SO YOU KNOW, THIS
5 ISN'T -- JUST LIKE WE DON'T NORMALLY GO THROUGH RFA
6 CRITERIA WITH YOU, THESE WERE JUST THOUGHTS ABOUT
7 THE TYPES OF THINGS THAT ARE DIFFERENT THAN WHAT
8 CAME IN WITH THE ORIGINAL APPLICATION THAT THE
9 GRANTS WORKING GROUP COULD BE THINKING ABOUT. AND
10 SO IT'S THINKING ABOUT WHERE THERE'S A REALLY
11 VALUE-ADDED IMPACT AS OPPOSED TO SOMETHING VERY
12 INCREMENTAL. THAT'S WHAT WE'RE THINKING OF. IF
13 WE'RE GOING TO DO SOMETHING, IT SHOULD BE NOT
14 BECAUSE WE'RE GOING TO MAKE A TINY BABY STEP BECAUSE
15 THAT'S A VERY LARGE INVESTMENT AND COMMITMENT. IT
16 MAY BE THAT IT TAKES AN INITIAL BABY STEP WITH THE
17 FIRST STUDY, BUT WE WANT THE POTENTIAL LONG-TERM
18 IMPACT TO BE SOMETHING THAT WOULD BE VALUED BY THE
19 PATIENT, BY THE PHYSICIAN, SOMETHING THAT'S
20 IMPORTANT.

21 DR. STEWARD: I'M SORRY. I DON'T WANT TO
22 PROLONG THE CONVERSATION HERE. MAYBE THAT'S THE
23 ANSWER. SO MAYBE IT'S JUST THAT THE MOTION NEEDS
24 CLARIFICATION IN THE SENSE THAT ARE WE VOTING ON
25 THIS PROCESS AS DEFINED HERE, APPROVING ESSENTIALLY

BARRISTERS' REPORTING SERVICE

1 WHAT IS WRITTEN, OR ARE WE VOTING ON GOING FORWARD
2 WITH A PROCESS THE DETAILS OF WHICH ARE STILL TO BE
3 WORKED OUT?

4 CHAIRMAN THOMAS: WE WERE VOTING,
5 ACCORDING TO MY THOUGHT, ON THE PROCESS AS DEFINED
6 HERE.

7 DR. STEWARD: INCLUDING THESE CRITERIA?

8 CHAIRMAN THOMAS: CORRECT.

9 MR. TORRES: WHICH COULD BE AMENDED AT A
10 LATER DATE.

11 CHAIRMAN THOMAS: OR NOW.

12 DR. FEIGAL: I THINK THAT --

13 MR. TORRES: THAT'S NOT WHAT I WAS
14 PROPOSING.

15 DR. FEIGAL: YOU KNOW US. WE'RE HERE TO
16 HEAR YOUR INPUTS. THIS ISN'T PRESUMABLY A ONE-TIME
17 CONVERSATION. I THINK THERE'S AN IMPORTANT
18 STRATEGIC DECISION THAT NEEDS TO BE MADE TODAY. ARE
19 WE GOING TO PRIORITIZE? I THINK THE ANSWER WAS YES.
20 ARE WE GOING TO HAVE A PROCESS WHERE THE GRANTS
21 WORKING GROUP LOOKS AT SOME DENOMINATOR OF PROJECTS?
22 I THINK THE ANSWER MIGHT BE YES. IT DEPENDS ON YOUR
23 VOTE. AND THEN THIRD, ARE WE GOING TO SET ASIDE X
24 AMOUNT SHOULD WE DECIDE TO DO THAT?

25 THE OTHER DETAILS WE COULD PROBABLY HAVE A

BARRISTERS' REPORTING SERVICE

1 CONVERSATION TO FIGURE IT OUT. THESE ARE THE
2 CRITERIA THAT WE THOUGHT WOULD BE USEFUL TO HAVE FOR
3 THE GRANTS WORKING GROUP TO CONSIDER.

4 CHAIRMAN THOMAS: HOW ABOUT INCLUDING
5 THESE, BUT NOT LIMITED TO THESE OR AS WHATEVER.
6 THERE'S FURTHER DISCUSSION, OS. WE'LL MAKE SURE
7 THAT EVERYBODY --

8 MS. LANSING: I DON'T REALLY HAVE
9 DISCUSSION. I JUST HAVE A COMMENT. I THINK WE'RE
10 TALKING ABOUT A PROCESS. I THINK SCIENCE DOESN'T
11 STAND STILL. SO I THINK THAT WE'RE TALKING ABOUT A
12 PROCESS WHERE WE'RE GOING TO CONSTANTLY BE
13 REEVALUATING AND EVALUATING SOMETHING. SO IT
14 DOESN'T BOTHER ME THAT IT'S 200 INSTEAD OF 300
15 BECAUSE IT CAN BECOME 300 AND IT CAN BECOME A
16 HUNDRED IF WE DECIDE THAT WE DON'T NEED TO DO IT.
17 IT'S THE IDEA THAT WE'RE PRIORITIZING. IT'S THE
18 IDEA THAT WE'RE SETTING ASIDE MONEY TO BRING THESE
19 TO THE GOALPOST. AND IT'S THE IDEA THAT THERE WILL
20 BE STANDARDS WHICH WE -- I KIND OF SAY WE HAVE TO
21 TRUST THE ADVISORY COMMITTEE. THEY CAN COME BACK TO
22 US. WE CAN DEBATE IT, BUT I THINK NOW WE'RE IN
23 THIS -- IS THIS THE STRATEGY THAT WE'RE APPROACHING,
24 AND THAT'S WHY I'M COMFORTABLE VOTING FOR IT.

25 BUT I ALSO WANT TO SAY THE STRATEGY, WE

BARRISTERS' REPORTING SERVICE

1 ALWAYS SAY AT THE STANDARDS WORKING GROUP, IS A WORK
2 IN PROGRESS AND IT'S A WORK IN CONSTANT PROGRESS,
3 AND WE SHOULD BRING IT BACK AT EVERY MEETING AND
4 REEVALUATE IT AND REEVALUATE IT. SO I'M VERY
5 COMFORTABLE.

6 DR. WESTON: SINCE THIS IS A STRATEGIC
7 DISCUSSION, I THINK ONE OF THE THINGS THAT I WOULD
8 LIKE, TO ME, AS A STRATEGIC ISSUE, WHEN YOU'RE
9 TALKING ABOUT THIS IS WHAT IS THE PLAN, THEN, FOR IT
10 SAYS CLEAR AND STRONG PLAN FOR THE DEVELOPMENT
11 PATHWAY AND THE CONSEQUENCES OF MISSING THAT AND THE
12 MONITORING OBLIGATION THAT YOU ARE GOING TO USE TO
13 FOLLOW THAT, INCLUDING, AS YOU SUGGESTED THIS
14 MORNING ON THE ACCELERATED PATHWAY, SINCE THAT'S
15 VOLUNTARY, HOW ARE YOU GOING TO MAKE SURE THAT
16 PEOPLE ARE ON THE RIGHT TRACK? YOU DON'T HAVE TO
17 TELL ME NOW.

18 DR. FEIGAL: I ACTUALLY WOULD. I ACTUALLY
19 WOULD LIKE TO ANSWER THAT BECAUSE WHEN STEVE RAISED
20 IT EARLIER THIS MORNING, I THINK -- I THOUGHT I HAD
21 ANSWERED IT. ALL DISEASE TEAMS AND STRATEGIC
22 PARTNERSHIPS MUTUALLY WORK WITH US ON THE SCIENTIFIC
23 STAFF ON MILESTONES, GO/NO-GO, PROGRESS MILESTONES,
24 AND CRITERIA TO MEET THEM, AND WE DO ADHERE TO
25 THOSE, AND NOTHING CHANGES WITH THAT. THEY WOULD

BARRISTERS' REPORTING SERVICE

1 STILL BE REQUIRED TO GO ACCORDING TO THOSE TYPES OF
2 STEPS. SO WE WOULD STILL HAVE RIGOROUS EVALUATIONS
3 AND INTERACTIONS WITH THEM. I JUST WANTED TO MAKE
4 THAT CLEAR. IT'S NOT A FREE-FOR-ALL. THEY ACTUALLY
5 WILL STILL HAVE MILESTONES, THEY'LL STILL HAVE
6 ASSESSMENTS. WE'RE GOING TO BE ACTUALLY WORKING
7 WITH THEM EVEN MORE CLOSELY.

8 DR. BRENNER: I JUST WANTED TO SAY THAT I
9 AGREE WITH THE STRATEGY. I THINK IT'S EXACTLY
10 RIGHT. IT'S TIME TO FISH OR CUT BAIT. THIS IS THE
11 MOST EXCITING THING WE'RE GOING TO DO, GETTING
12 ACTUAL RESEARCH INTO CLINICAL TRIALS. I THINK
13 EVERYONE'S TINY BIT OF AMBIVALENCE REFLECTS JUST
14 THAT THIS IS THE HARDEST THING THAT YOU DO WHEN YOU
15 DECIDE WHICH ONES GO FORWARD. THERE AREN'T REALLY
16 CLEAR CRITERIA. IT'S MAKING US A LITTLE NERVOUS.
17 SO I THINK WE CAN ALL AGREE ON THE THREE POINTS YOU
18 MADE. I THINK YOU ARTICULATED THAT VERY CLEARLY,
19 AND TO ENCUMBER \$200 MILLION, BUT I THINK THE DEVIL
20 IS IN THE DETAILS AND HOW YOU ARE GOING TO ASSESS
21 THESE AND HOW YOU'RE GOING TO PICK THE WINNERS AND
22 LOSERS.

23 CHAIRMAN THOMAS: THANK YOU. OKAY.
24 QUESTION HAS BEEN CALLED. MARIA, WILL YOU PLEASE
25 CALL THE ROLL.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: LARS BERGLUND.
2 DR. BERGLUND: YES.
3 MS. BONNEVILLE: LINDA BOXER.
4 DR. BOXER: YES.
5 MS. BONNEVILLE: DAVID BRENNER.
6 DR. BRENNER: YES.
7 MS. BONNEVILLE: SUE BRYANT. ANNE-MARIE
8 DULIEGE.
9 DR. DULIEGE: YES.
10 MS. BONNEVILLE: MARCY FEIT.
11 MS. FEIT: YES.
12 MS. BONNEVILLE: LEON FINE.
13 DR. FINE: YES.
14 MS. BONNEVILLE: ELIZABETH FINI.
15 DR. FINI: YES.
16 MS. BONNEVILLE: JUDY GASSON.
17 DR. GASSON: YES.
18 MS. BONNEVILLE: MICHAEL GOLDBERG.
19 MR. GOLDBERG: YES.
20 MS. BONNEVILLE: SAM HAWGOOD.
21 DR. HAWGOOD: YES.
22 MS. BONNEVILLE: STEPHEN JUELSGAARD.
23 MR. JUELSGAARD: YES.
24 MS. BONNEVILLE: TED KRONIRIS.
25 DR. KRONIRIS: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: SHERRY LANSING.
2 MS. LANSING: YES.
3 MS. BONNEVILLE: BERT LUBIN.
4 DR. LUBIN: YES.
5 MS. BONNEVILLE: FRANCISCO PRIETO.
6 DR. PRIETO: AYE.
7 MS. BONNEVILLE: ROBERT QUINT.
8 DR. QUINT: YES.
9 MS. BONNEVILLE: AL ROWLETT. JEFF SHEEHY.
10 MR. SHEEHY: YES.
11 MS. BONNEVILLE: OSWALD STEWARD.
12 DR. STEWARD: YES.
13 MS. BONNEVILLE: JONATHAN THOMAS.
14 CHAIRMAN THOMAS: YES.
15 MS. BONNEVILLE: ART TORRES.
16 MR. TORRES: AYE.
17 MS. BONNEVILLE: CARL WARE. DONNA WESTON.
18 DR. WESTON: YES.
19 MS. BONNEVILLE: DIANE WINOKUR.
20 MS. WINOKUR: YES.
21 MS. BONNEVILLE: AL, YOU MIGHT BE ON MUTE.
22 I'M NOT SURE IF YOU'RE STILL ON.
23 CHAIRMAN THOMAS: OKAY. ANOTHER UNANIMOUS
24 VOTE. THANK YOU, DR. FEIGAL. IT WAS THE LONGEST
25 RECORD.

BARRISTERS' REPORTING SERVICE

1 (APPLAUSE.)

2 DR. FEIGAL: THANK YOU VERY MUCH.

3 CHAIRMAN THOMAS: VERY IMPORTANT. THANK
4 YOU VERY MUCH.

5 DR. FEIGAL: VERY EXCITED ABOUT THIS.
6 THANK YOU.

7 CHAIRMAN THOMAS: ALL RIGHT. NOW, NOW
8 THAT WE GOT THROUGH THOSE TWO SLIDES, WE'RE ON TO
9 ITEM 6 ON THIS WORKSHOP AGENDA, WHICH IS BASIC
10 RESEARCH AND EARLY TRANSLATION. BACK TO DR. OLSON.

11 DR. OLSON: OKAY. MAYBE THIS ONE WILL BE
12 SHORTER, MAYBE NOT. WE'LL SEE.

13 OKAY. SO I JUST WANT TO SPECIFICALLY
14 FOCUS NOW ON THE QUESTION OF HOW OR IF OR DO WE
15 CONTINUE TO FUND BASIC OR TRANSLATIONAL RESEARCH
16 PROGRAMS.

17 LET ME JUST REMIND YOU WHAT THE OBJECTIVES
18 OF THE BASIC BIOLOGY AWARDS ARE. THEY'RE TO SUPPORT
19 STUDIES LEADING TO AN UNDERSTANDING OF THE
20 FUNDAMENTAL CELLULAR AND MOLECULAR MECHANISMS
21 UNDERLYING STEM CELL BEHAVIOR. ONE OF THE MOST
22 IMPORTANT THINGS WE'RE ALWAYS ASKED ABOUT IS WHAT IS
23 THE MECHANISTIC BASIS FOR YOU TO THINK YOU HAVE
24 SOMETHING THAT CAN GO FORWARD TO TRANSLATION. THIS
25 IS ALSO WHERE YOU FIGURE OUT DO I HAVE SOMETHING

BARRISTERS' REPORTING SERVICE

1 THAT COULD HAVE AN IMPACT ON DISEASE, THAT THIS
2 PARTICULAR MECHANISM IS OR COULD BE INVOLVED IN A
3 DISEASE PROCESS. SO THAT GETS TO THE PROVIDE NEW
4 INSIGHTS INTO DISEASE MECHANISMS. AND IT'S FOCUSED
5 ON HUMAN PLURIPOTENT AND PROGENITOR CELLS. SO I
6 THINK WE'VE STATED THIS BEFORE.

7 OUR BASIC RESEARCH PROGRAMS HAS A FOCUS ON
8 HUMAN STEM AND PROGENITOR CELLS. THE VARIOUS THEMES
9 ARE STEM CELL PLURIPOTENCY, CELL DIFFERENTIATION
10 MECHANISMS, WHICH IS ACTUALLY SO IMPORTANT WHEN
11 YOU'RE TALKING ABOUT POTENTIAL THERAPIES. YOU
12 REALLY WANT TO KNOW HOW TO DIFFERENTIATE THE CELLS
13 MOST EFFECTIVELY TO GET THERE. AND BY UNDERSTANDING
14 THE NATURAL DIFFERENTIATION, AND I THINK THAT'S WHAT
15 WE'RE FINDING TIME AND TIME AGAIN NOW, WHAT THE
16 ACTUAL DIFFERENTIATION MECHANISMS ARE, WE CAN
17 DEVELOP THE MOST EFFICIENT PROCESSES FOR
18 DIFFERENTIATION.

19 CELL GENOMIC STABILITY AND HETEROGENEITY,
20 THIS IS ALSO A REALLY IMPORTANT FACTOR WHEN YOU
21 START TALKING ABOUT TRANSLATION. WE'RE RUNNING INTO
22 PEOPLE NOW WHERE THE STEM CELLS, AFTER A CERTAIN
23 NUMBER OF PASSAGES, THEY ARE NOT VERY STABLE. AND
24 THAT SIMPLY DOESN'T WORK WHEN YOU'RE TALKING ABOUT A
25 CELL BANK OR SOMETHING THAT YOU'RE GOING TO USE FOR

BARRISTERS' REPORTING SERVICE

1 TRANSLATION. SO UNDERSTANDING THE ELEMENTS AND HOW
2 TO KEEP THOSE CELLS STABLE IS IMPORTANT.

3 IT'S ALSO BEEN FOCUSED ON DISEASE AND
4 TISSUE MODELS DERIVED FROM STEM CELLS. I THINK
5 THAT'S SOMETHING THAT'S A LOT OF WHAT IPS HAS DONE
6 IS IT HAS ALLOWED US TO GAIN SOME INSIGHT INTO
7 PHENOTYPES THAT MIMIC DISEASES AND THAT ALLOWS US TO
8 SCREEN FOR COMPOUNDS AND THEN FOR CELLULAR
9 REPROGRAMMING.

10 SO FAR THIS BOARD HAS APPROVED PROJECTS IN
11 FOUR ROUNDS OF THIS. EIGHTY-THREE PROJECTS HAVE
12 BEEN AWARDED FOR 115 MILLION, AND A FIFTH ROUND IS
13 PENDING ICOC DECISION IN JANUARY.

14 I THOUGHT I'D PUT THIS COMMENT UP. I JUST
15 HAPPENED TO BE READING THIS RECENTLY. DAVID
16 BOTSTEIN WAS BASICALLY -- I DON'T KNOW IF ANY OF YOU
17 KNOW HIM. MANY OF US KNOW HIM, BUT HE'S A VERY
18 PROMINENT MOLECULAR AND CELL BIOLOGIST. AND HE'S
19 BASICALLY JUST JOINED AS CHIEF SCIENTIFIC OFFICER
20 THE GOOGLE CALICO ANTIAGING TYPE THING, AND HE MADE
21 THIS COMMENT ON THE VALUE OF BASIC RESEARCH. "I
22 START WITH THE PREMISE THAT WE UNDERSTAND VERY
23 LITTLE OF THE WORLD. SPECIFICALLY, WE UNDERSTAND A
24 TINY FRACTION OF WHAT'S WRITTEN IN OUR GENOMES. WE
25 UNDERSTAND A TINY FRACTION OF WHAT PARTS OF MEDICINE

BARRISTERS' REPORTING SERVICE

1 WORK WELL AND WHAT PARTS ARE JUST TRADITION. THE
2 VALUE OF BASIC SCIENCE, OF COURSE, IS ONCE WE DO
3 UNDERSTAND SOMETHING, WE MIGHT BE ABLE TO DO
4 SOMETHING."

5 WHAT I WOULD REMIND YOU IS THAT ACTUALLY
6 STEM CELL SCIENCE IN SOME SENSES IS A VERY YOUNG
7 FIELD. SO I ACTUALLY PULLED OUT THE DATES. MOUSE
8 PLURIPOTENT STEM CELLS WERE FIRST DISCOVERED BY GAIL
9 MARTIN IN 1982. HUMAN STEM CELLS BY JAMIE THOMSON,
10 IF YOU BELIEVE THAT, IN 1998. YAMANAKA DID THE
11 REPROGRAMMING. AND THAT WAS ONLY 15 YEARS AGO WHAT
12 JAMIE THOMSON DID, THE HUMAN STEM CELLS. YAMANAKA
13 IN 2006, THE IPSC'S, SO THE REPROGRAMMING. AND THE
14 FIRST TRIALS WITH STEM CELLS, AND I AM NOT INCLUDING
15 AT THIS POINT HEMATOPOIETIC STEM CELLS BECAUSE
16 OBVIOUSLY THEY HAVE BEEN AROUND SINCE THE '60S WHEN
17 TILL AND MCCOLLOCH ORIGINALLY DESCRIBED THEM. BUT
18 TO TELL THE TRUTH, IT'S BEEN PROBABLY 20 TO 40 YEARS
19 AND WE'RE STILL DOING RESEARCH NOW TO FIGURE OUT HOW
20 TO BEST USE THE HEMATOPOIETIC STEM CELL.

21 SO BONE MARROW TRANSPLANTS, YOU HEARD
22 ANOTHER INDICATION JUST TODAY ABOUT HOW ESSENTIALLY
23 BLOOD STEM CELLS DERIVED FROM BONE THAT HAVE BEEN
24 MOBILIZED IN THE PERIPHERAL BLOOD ARE BEING USED.

25 I THINK TO ASSUME THAT WE KNOW ALL THAT

BARRISTERS' REPORTING SERVICE

1 NEEDS TO BE KNOWN IS REALLY A LITTLE BIT ARROGANT
2 AND BORDERING ON HUBRIS. SO I JUST WANT TO POINT
3 OUT TO PEOPLE THAT BASIC RESEARCH ALWAYS GOES ON.

4 THE SAB AND CIRM MANAGEMENT RECOMMENDATION
5 WAS TO CONTINUE SOME SUPPORT FOR BASIC RESEARCH. I
6 WON'T GO THROUGH THE ORIGINAL FUNDING PLANS FOR
7 THAT. OUR PROPOSED FUNDING PLAN FOR NOW IS DOING
8 ABOUT THREE MORE BASIC RESEARCH ROUNDS AT ROUGHLY
9 \$30 MILLION PER ROUND. THAT WILL FUND PROBABLY
10 AROUND 65 TO 67 MORE PROJECTS. AND I THINK IT JUST
11 BRINGS A VALUE. THAT'S WHAT I HAVE TO SAY ABOUT
12 THAT.

13 I WANTED NOW TO TALK ABOUT THE
14 TRANSLATIONAL RESEARCH PROGRAM. AND I'LL JUST
15 REMIND YOU THAT WHAT WE'VE BEEN OPERATING ON SO FAR
16 WAS ACTUALLY SCENARIO 1 OR SCENARIO 2 IN THE
17 STRATEGIC PLAN. IT CONTEMPLATED ONE MORE ROUND OF
18 AN EARLY TRANSLATIONAL TYPE PROGRAM AT 65 MILLION
19 AND A SMALLER AWARD, FOR EXAMPLE, ANOTHER TOOLS AND
20 TECHNOLOGIES AT 30 MILLION, AND THEN THERE WAS JUST
21 IN THE SCENARIO 2 THERE WAS ONE MORE ROUND AT 60.

22 WE ALSO HAVE COLLECTED AN UNALLOCATED POT
23 OF 44 MILLION. OUR PROPOSED FUNDING PLAN BASICALLY
24 SAYS WE HAVE -- CURRENTLY WE HAVE 35 PLUS 28, SO
25 WHATEVER THAT IS, 63 EARLY TRANSLATIONAL PROGRAMS.

BARRISTERS' REPORTING SERVICE

1 TWO OF THEM HAVE ALREADY MOVED FORWARD INTO
2 DEVELOPMENT IN ONE WAY, SHAPE, AND FORM. WE'VE
3 INVESTED \$221 MILLION IN THESE PROGRAMS. WE HAVE
4 SOME VERY PROMISING PROJECTS IN THESE PROGRAMS.

5 SO WHAT WE'RE PROPOSING TO DO IS TO SAY
6 THE BULK OF THE MONEY THAT WAS IN THAT EARLY
7 TRANSLATIONAL POT WE'VE MOVED TO DEVELOPMENT BECAUSE
8 WE WOULD LIKE TO BE ABLE TO MOVE SOME OF THOSE
9 PROJECTS FORWARD. THEN WHAT WE'RE ALSO PROPOSING,
10 THOUGH, IS TO FUND WHAT I'LL CALL A TRANSITIONAL
11 AWARD PROGRAM BECAUSE THERE WERE SOME OF THESE
12 PROJECTS, THESE SO-CALLED DCF PROJECTS.

13 SO IF YOU LOOK AT THIS CARTOON, IN ET I
14 THROUGH IV, WE FUND TWO TYPES OF PROGRAMS. WE
15 FUNDED A PROGRAM SO CALLED DEVELOPMENT CANDIDATE
16 FEASIBILITY AWARD THAT WOULD GET US TO JUST A PROOF
17 OF CONCEPT, A PROOF OF HYPOTHESIS. TO SAY SOMETHING
18 TO FIND OUT A MECHANISM IN BASIC BIOLOGY IS ONE
19 THING. TO SAY THAT IT IS RELEVANT IN SOME SORT OF
20 DISEASE ACTIVITY IS ANOTHER.

21 SO THIS IS WHAT WE WERE TRYING TO DO IN
22 THESE DCF AWARDS. IT'S A PROOF OF TRANSLATIONAL
23 HYPOTHESIS. AND WE FUNDED ANOTHER ONE, A NUMBER OF
24 THOSE. AND THEN THE OTHER THING THAT WE DID IN
25 PREVIOUS ET PROGRAMS WAS ESSENTIALLY TO ACHIEVE A

BARRISTERS' REPORTING SERVICE

1 DEVELOPMENT CANDIDATE. THAT IS, THAT A PROJECT THAT
2 HAD COMPLETED THE ACTIVITIES THAT WOULD ALLOW IT TO
3 MOVE FROM RESEARCH, WHICH IS A RELATIVELY LESS
4 EXPENSIVE ENTERPRISE, INTO DEVELOPMENT, WHICH,
5 BECAUSE IT IS A REGULATED ENTERPRISE, I.E., YOU HAVE
6 TO MEET CRITERIA LAID DOWN BY THE FDA, BECOMES A
7 CONSIDERABLY MORE EXPENSIVE ENTERPRISE.

8 AND WHAT WE'RE PROPOSING INSTEAD IS, AS I
9 SAY, WE'VE REALLOCATED A LOT OF THE MONEY THAT WAS
10 IN THAT TRANSLATIONAL POT INTO THE DEVELOPMENT POT
11 BECAUSE WE WANT TO CONTRIBUTE TO THAT POT, AND WE
12 BELIEVE WE HAVE ENOUGH PROMISING PROJECTS IN EARLY
13 TRANSLATION THAT ARE READY TO MOVE FORWARD OVER THE
14 NEXT THREE YEARS OR SO INTO DEVELOPMENT.

15 AND THEN WE ALSO WANTED TO FUND WHAT I
16 CALL A TRANSITIONAL AWARD THAT WOULD BE ONLY A
17 TWO-YEAR OR LESS AWARD THAT WOULD ALLOW, ESPECIALLY
18 FOR THOSE DEVELOPMENT CANDIDATE FEASIBILITY AWARD
19 PROJECTS OF WHICH WE HAVE SEVERAL THAT ONLY SPENT
20 BETWEEN ONE AND \$2 MILLION, TO ACTUALLY, THE REALLY
21 PROMISING ONES, TO REALLY MOVE FORWARD TO A DC AND
22 THEN MAYBE TO A PRE-IND, WHICH IS A PRETTY MUCH IN
23 DEVELOPMENT WHERE YOU GET A SENSE OF HOW THE
24 REGULATORS ARE THINKING ABOUT IT TOO.

25 SO THAT IS THE PROPOSAL. ARE THERE ANY

BARRISTERS' REPORTING SERVICE

1 QUESTIONS?

2 MR. SHEEHY: WELL, I THINK THE
3 TRANSLATIONAL RESEARCH SEEMS REASONABLE BECAUSE
4 THAT'S WHERE WE'RE TRYING TO CATCH UP SOME OF THE
5 FUNDS, IT LOOKS LIKE, FOR THE DEVELOPMENT THINGS.
6 SO OUR TRANSLATIONAL RESEARCH RFA WAS NOT
7 SPECTACULAR.

8 DR. OLSON: RIGHT. AS I SAY, BESIDES WE
9 WOULDN'T HAVE THE TIME. ANYTHING THAT WE DO NOW
10 WOULD BE OUTSIDE OF OUR TIME FRAME TO MOVE IT INTO
11 DEVELOPMENT; WHEREAS, WHAT WE'VE GOT NOW WE'RE IN AN
12 OKAY TIME FRAME.

13 MR. SHEEHY: SO IT IS MOVING MORE MONEY
14 TOWARDS THE END OF THE PIPELINE. I WOULD MOVE TO
15 ADOPT THIS, BUT I WOULD ACTUALLY REDUCE IT TO TWO
16 MORE BASIC BIOLOGY ROUNDS BECAUSE WE'RE DOING ONE
17 NEXT YEAR. SO THAT'S 2014, SO WE'RE FUNDING IN
18 JANUARY. AND THEN WE DO ONE IN 2015 AND THEN WE DO
19 ONE IN 2016. SO, AGAIN, THAT LEAVES MORE MONEY FOR
20 DEVELOPMENT, AND WE'LL KNOW WHAT OUR FUNDING IS
21 GOING TO LOOK LIKE. WE'LL HAVE A BETTER SENSE OF
22 BOTH WHAT PROGRESS WE'RE MAKING IN TERMS OF
23 DEVELOPMENT BY 2016, AND WE'LL KNOW WHAT MONEY --
24 WHETHER WE'RE GETTING ANY CLOSER TO ANY PROSPECTS OF
25 EITHER GETTING OUTSIDE SUPPORT OR ANOTHER THING

BARRISTERS' REPORTING SERVICE

1 HAPPENING THAT MIGHT BRING IN MONEY TO THE AGENCY.

2 AND I WOULD ACTUALLY ARGUE THAT THAT 30
3 MILLION THAT WE'RE SAVING BY NOT DOING IT COULD AT
4 LEAST BE THE STARTER ON A RESERVE THAT IS JUST
5 UNALLOCATED MONEY. BUT THAT WOULD BE MY MOTION.

6 CHAIRMAN THOMAS: REPEAT THE MOTION AGAIN,
7 JEFF.

8 MR. SHEEHY: TO ADOPT THE TRANSLATIONAL
9 RECOMMENDATION THAT PAT HAS DONE, WHICH IS 44
10 MILLION OF UNALLOCATED TO THE ALLOCATED ALONG THE
11 LINES OF THE PROGRAMS SHE'S DESCRIBED WITH THE
12 UNALLOCATED -- WITH ROUGHLY 70 TO A HUNDRED MILLION
13 REALLOCATED TO DEVELOPMENT.

14 DR. OLSON: IT WAS BASICALLY IN THE
15 PROPOSAL I SHOWED. WHAT IS IT IS 40 MILLION FOR A
16 TRANSITIONAL PROGRAM, AND THEN THE REST IS ALREADY
17 IN DEVELOPMENT.

18 MR. SHEEHY: ALREADY IN DEVELOPMENT. AND
19 THEN TO FUND TWO MORE ROUNDS OF BASIC BIOLOGY WITH
20 THE REMAINING 30 MILLION THAT HAD BEEN ALLOCATED FOR
21 BASIC BIOLOGY TO BE PUT INTO RESERVE IF WE WANT TO
22 SPEND IN 2016.

23 DR. Krontiris: DOES THAT NEED A SECOND?

24 CHAIRMAN THOMAS: IT DOES.

25 DR. Krontiris: I SECOND IT. ALSO THAT

BARRISTERS' REPORTING SERVICE

1 MOTION SPARES ME GIVING A LONG AND IMPASSIONED TALK
2 ON BASIC SCIENCE.

3 CHAIRMAN THOMAS: WE DO HAVE 45 MINUTES
4 ALLOCATED TO DECIDE.

5 MR. TORRES: THE ASSEMBLY YESTERDAY
6 CONSIDERED THE LEGISLATIVE ANALYST'S REPORT, THAT
7 THE STATE WOULD HAVE A \$5.6 BILLION SURPLUS.
8 THERE'S SOME PROPOSALS NOW IN THE ASSEMBLY TO SPEND
9 THAT SURPLUS, WHICH IS AT ODDS WITH THE GOVERNOR,
10 WHO'S ADVOCATING THAT WE KEEP IT FOR A RAINY DAY.

11 I JUST WANT TO REITERATE THAT I THINK
12 WE'RE IN THE RIGHT DIRECTION. WE'RE TRYING TO MAKE
13 SURE THAT WE HAVE A STRATEGIC FUND FOR A RAINY DAY,
14 AND WE'RE TRYING TO BE AS FISCALLY PRUDENT AS THE
15 GOVERNOR IS. I HOPE YOU'RE LISTENING, JERRY.

16 MS. LANSING: I'LL DITTO THAT, JERRY.

17 MR. TORRES: THAT WAS SHERRY, JERRY.

18 CHAIRMAN THOMAS: JUDY.

19 DR. GASSON: THE ADVISORY BOARD FELT THAT
20 THE USE OF ONLY HUMAN STEM CELLS WAS TOO
21 PRESCRIPTIVE AND PERHAPS WAS OVERLOOKING THE
22 BENEFITS OF MODEL ORGANISMS. I'M SORRY IF YOU
23 ADDRESSED THIS, BUT I DIDN'T CATCH IT IF YOU DID.

24 DR. OLSON: WELL, WHAT I CAN SAY IS THAT
25 IN OUR BASIC BIOLOGY PROGRAM, WE DO EMPHASIZE HUMAN

BARRISTERS' REPORTING SERVICE

1 STEM CELLS. WE WILL ALLOW, IF IT IS ABSOLUTELY
2 NECESSARY AND CAN BE DONE IN CONJUNCTION WITH HUMAN
3 STEM CELLS, WE WILL ALLOW SOME MODEL SYSTEM WORK.
4 THE PROBLEM REALLY IS IF YOU LOOK AT HOW THE NIH
5 FUNDS STEM CELLS RESEARCH. THE DIFFERENCE BETWEEN
6 THE AMOUNT OF MONEY THEY PUT TO MODEL SYSTEMS
7 RESEARCH VERSUS WHAT THEY PUT TO HUMAN STEM CELL
8 RESEARCH IS, I THINK, CLOSE TO TENFOLD. THAT MAY BE
9 AN EXAGGERATION, BUT IT IS REALLY SIGNIFICANT.

10 AND SO HUMAN STEM CELLS ARE MORE DIFFICULT
11 TO WORK WITH. PEOPLE NEED TO BE INCENTED, AND IT'S
12 CLOSER TO WHAT WE'RE TRYING TO DO. SO THAT IS THE
13 REASON WE HAVE EMPHASIZED THAT. AND IF YOU NOTE
14 THAT THE MANAGEMENT RESPONSE TO THAT CONCERN RAISED
15 BY THE SAB WAS, IN FACT, THAT WE THINK OUR REMIT IS
16 MORE IN THE AREA OF FOCUSING ON THE HUMAN SYSTEM.

17 DR. GASSON: I DON'T DISAGREE WITH
18 ANYTHING YOU'VE SAID, BUT I WOULD JUST POINT OUT
19 THAT THE NIH FUNDING AT THIS POINT IN TIME IS SO
20 DIRE, THAT IT MAY BE WORTH AT SOME POINT IN TIME
21 HAVING THAT CONVERSATION.

22 DR. OLSON: WELL, I WILL POINT OUT, AND
23 YOU MIGHT CONSIDER THIS IN THE CONTEXT OF YOUR
24 FUTURE DELIBERATIONS ON THE NEXT TOPIC OR TWO, THAT
25 OUR TRAINING PROGRAM THAT WE FUND WHERE WE PROVIDE

BARRISTERS' REPORTING SERVICE

1 FUNDING FOR PRE-DOCS, POST-DOCS, AND CLINICAL
2 FELLOWS, WE HAVE NO RESTRICTIONS ON THE TYPE OF STEM
3 CELL RESEARCH THAT IS CONDUCTED BY THOSE TRAINEES.
4 WELL, I KNOW THAT A SUBSTANTIAL AMOUNT OF THAT STEM
5 CELL RESEARCH IS IN MODEL SYSTEMS.

6 DR. TROUNSON: SO THE SHORT ANSWER IS WE
7 WOULD ENCOURAGE IT IF IT'S GOING TO TRANSFORM THE
8 FIELD, BUT NOT SIMPLY LINEAR STUDIES BECAUSE WE
9 THINK, WHETHER NIH DOES OR DOESN'T, THAT'S WHERE
10 THEY'RE AT. AND TRYING TO DO THAT AS WELL AS NIH
11 SEEMS A REDUNDANCY. WHERE THEY REALLY SAY THAT IT'S
12 GOING TO TRANSFORM THE FIELD, ABSOLUTELY. DOESN'T
13 MATTER WHAT.

14 DR. GASSON: GREAT. THANK YOU.

15 CHAIRMAN THOMAS: ANY DISCUSSION BY
16 MEMBERS ON THE PHONE? ANY DISCUSSION BY MEMBERS OF
17 THE PUBLIC? HEARING NONE, MR. HARRISON, PLEASE
18 RESTATE THE MOTION AND, MARIA, PLEASE TAKE THE ROLL.

19 MR. HARRISON: AS I UNDERSTAND IT, THE
20 MOTION IS TO ADOPT THE STAFF PROPOSAL FOR FUNDING
21 THE TRANSLATIONAL RESEARCH PROGRAM, BUT TO REDUCE
22 THE NUMBER OF FUTURE BASIC BIOLOGY ROUNDS TO TWO.

23 MR. SHEEHY: AND TO HOLD THAT REMAINING
24 \$30 MILLION IN AN UNALLOCATED STRATEGIC RESERVE.

25 MR. HARRISON: AND TO HOLD THE REMAINING

BARRISTERS' REPORTING SERVICE

1 \$30 MILLION IN THE UNALLOCATED STRATEGIC RESERVE.

2 MR. SHESTACK: I'M SORRY. I KNOW YOU
3 CALLED YOUR QUESTION, BUT I JUST WANT TO URGE THAT
4 YOU SET A TIME TO REVIEW THE POLICY YOU'RE GOING TO
5 VOTE ON RIGHT NOW WITHIN SIX MONTHS OR A YEAR. FOR
6 INSTANCE, IF YOU HAD THE DESIRE TO DO
7 DISEASE-SPECIFIC RESEARCH ON -- DISEASE-SPECIFIC
8 RFA'S ON DISEASES, THAT NOW YOU HAVE TO CONSIDER
9 REALLY ORPHAN DISEASES AT THIS POINT. ANYTHING THAT
10 ISN'T IN YOUR TIMELINE FOR IND ON PHASE I OR II
11 CLINICAL TRIALS NOW HAS TO BE CONSIDERED ALMOST AN
12 ORPHAN DISEASE BY CIRM STANDARDS. THAT WOULD COME
13 OUT OF DC FUNDING AND BASIC BIOLOGY FUNDING. AND IT
14 MAY BE THAT IT'S SMART TO LIMIT IT TO TWO RATHER
15 THAN THREE WITH THE EXCEPTION OF THE ONE THAT'S
16 COMING UP IN JANUARY.

17 BUT I WOULD SAY PLEASE PUT IT IN YOUR
18 PLANS TO REVIEW THIS BECAUSE YOU MIGHT AT ONE POINT
19 REALLY DECIDE THAT YOU WANT TO DO SOME
20 DISEASE-SPECIFIC RFA'S, AND THEY WOULD COME OUT
21 OF -- BY NATURE THEY WOULD BE SMALLER AND WOULD BE
22 DISCOVERY SCIENCE, AND THEY WOULD PROBABLY -- THE
23 ONLY MECHANISM LEFT FOR THEM TO COME OUT OF ON YOUR
24 SCHEDULE, AS FAR AS I CAN TELL, IS BASIC BIOLOGY.
25 IF THAT'S NOT TRUE, PLEASE CORRECT ME.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: I THINK WHAT WE DO HERE, JON,
2 IS THAT WE ACTUALLY HAVE MONEY THAT'S UNALLOCATED.
3 SO IF SOMEONE WERE SO ENERGIZED TO TRY TO DO A
4 DISEASE-SPECIFIC RFA, THERE WOULD ACTUALLY BE FUNDS
5 TO DO IT.

6 MR. SHESTACK: IN THE UNALLOCATED FUNDS.

7 DR. OLSON: CAN I CLARIFY SOMETHING JUST
8 FOR MY -- JUST FOR HOW I FIGURE THIS OUT GOING
9 FORWARD? WHEN YOU TALK ABOUT A 30-MILLION STRATEGIC
10 RESERVE UNALLOCATED, YOU DID NOT MEAN THE STRATEGIC
11 RESERVE THAT HAD BEEN SET UP FOR THE PRIORITY
12 PROJECTS FOR DEVELOPMENT. YOU MEAN JUST AN
13 UNALLOCATED 30-MILLION STRATEGIC RESERVE. IS THAT A
14 CORRECT STATEMENT?

15 MR. SHEEHY: IT'S FINE TO ME EITHER WAY.
16 IF WE DECIDE THAT WE NEED IT, IT'S JUST THERE. IT'S
17 ALL A SEMANTIC. IF WE DON'T NEED -- IF WE'RE MAKING
18 THE KIND OF PROGRESS WHERE WE NEED THAT 30 MILLION,
19 I THINK IT'S THERE. IF WE'RE NOT MAKING THAT
20 PROGRESS, WE'LL USE IT SOMEWHERE ELSE. I'M NOT
21 TRYING TO BACK IN AND DO A RUN AROUND THE EARLIER
22 MOTION. I'M JUST TRYING TO LEAVE SOME MONEY THAT'S
23 NOT ALLOCATED TO ANYTHING. WE COULD END UP DOING
24 ANOTHER BASIC BIOLOGY ROUND.

25 DR. HAWGOOD: MY REASON FOR USING THE

BARRISTERS' REPORTING SERVICE

1 LANGUAGE UNALLOCATED STRATEGIC RESERVE WAS TO AVOID
2 LINKING ANY RESERVE TO ANY PURPOSE SO THAT IT WASN'T
3 SOME KIND OF EVEN IMPLICIT BIAS TO SPEND IT ON
4 SOMETHING THAT MAY NOT BE OF THE BEST AND HIGHEST
5 USE AT THE TIME.

6 CHAIRMAN THOMAS: THANK YOU. STEVE.

7 DR. JUELSGAARD: MR. HARRISON, POINT OF
8 CLARIFICATION. FOR THE TRANSLATIONAL RESEARCH
9 PROGRAM, WHAT'S THE DOLLAR AMOUNT? YOU DIDN'T GIVE
10 A DOLLAR AMOUNT, SO I WANT TO BE CLEAR AS TO WHAT IT
11 IS.

12 MR. HARRISON: FORTY MILLION.

13 DR. JUELSGAARD: FOUR ZERO. AND AS FAR AS
14 THE BIOLOGY RESEARCH PROGRAM?

15 MR. HARRISON: SIXTY MILLION, TWO OF 30
16 EACH.

17 DR. JUELSGAARD: SO THAT'S IN THE MOTION?

18 MR. HARRISON: CORRECT.

19 DR. JUELSGAARD: THANK YOU.

20 CHAIRMAN THOMAS: OKAY. HEARING NO MORE
21 DISCUSSION, MARIA -- WE HAVE ANOTHER MEMBER OF THE
22 PUBLIC. HELLO, ARLENE. HOW ARE YOU?

23 DR. CHIU: VERY WELL. THANK YOU. I JUST
24 WANTED TO CLARIFY IN CASE I GOT MY NUMBERS WRONG.
25 FROM A PREVIOUS SLIDE OF DR. OLSON'S, YOU HAVE SO

BARRISTERS' REPORTING SERVICE

1 FAR SPENT \$115 MILLION IN BASIC BIOLOGY, I BELIEVE.
2 AND YOU ARE NOW VOTING ON TWO MORE ROUNDS, 60
3 MILLION IN FURTHER ROUNDS. SO FUNDED AT THE
4 MAXIMUM, YOU WOULD HAVE BEEN FUNDING \$175 MILLION IN
5 BASIC BIOLOGY TOTAL FOR THE LIFE OF CIRM SO FAR
6 ALLOCATED. AM I CORRECT?

7 CHAIRMAN THOMAS: WE HAVE A ROUND THAT'S
8 GOING TO BE APPROVED IN JANUARY THAT'S ABOVE AND
9 BEYOND THAT, CORRECT?

10 DR. OLSON: THAT IS TRUE. BUT ALSO, IT IS
11 NOT CORRECT WHAT YOU STATED BECAUSE THERE ARE A
12 NUMBER OF PROGRAMS THAT DID NOT CARRY THE LABEL
13 BASIC BIOLOGY THAT WERE ESSENTIALLY BASIC RESEARCH
14 PROGRAMS. SO, FOR EXAMPLE, THE COMPREHENSIVE
15 AWARDS, THE SEED AWARDS, THE NEW CELL LINE AWARDS,
16 THERE WERE A LOT OF AWARDS THAT ACTUALLY GET CLASSIFIED
17 IN THAT. IF YOU LOOK IN THE -- IF YOU LOOK ACTUALLY
18 IN ONE OF THE FIRST SLIDES I PUT UP, IN THE BASIC
19 RESEARCH CATEGORY AWARDED, IT IS MUCH LARGER THAN
20 BASIC BIOLOGY ITSELF. AS A MATTER OF FACT, THE
21 BASIC RESEARCH PROGRAM, THE TRAINING PROGRAM, THE
22 FACILITIES PROGRAM WILL ALL BE BIGGER THAN THE
23 TRANSLATIONAL RESEARCH PROGRAM, AND DEVELOPMENT WILL
24 BE THE BIGGEST ONE OF ALL.

25 DR. CHIU: I GUESS MY QUESTION IS FOR

BARRISTERS' REPORTING SERVICE

1 FUNDING BASIC BIOLOGY GRANTS PROPER, TWO INDIVIDUAL
2 INVESTIGATORS, WHAT IS THE TOTAL AMOUNT THAT CIRM
3 WILL FUND NOW WITH THE CURRENT FUNDING THAT YOU
4 VOTED ON?

5 DR. OLSON: THAT'S, AS I SAID, \$60
6 MILLION, OR ROUGHLY I FIGURE THAT'S ANOTHER 40 TO 45
7 AWARDS.

8 DR. CHIU: SIXTY MILLION PLUS. THAT'S WHY
9 I'M ADDING UP THE DOLLARS AS BEST I COULD FROM THE
10 SLIDES. WHAT I CAME UP WITH WAS 175 MILLION TOTAL.
11 BUT THAT DID NOT INCLUDE SOME OF THE ONES THAT YOU
12 JUST POINTED TO. SO MY QUESTION IS WHAT IS THE
13 TOTAL AMOUNT OF MONEY THAT CIRM WILL ALLOCATE TO
14 BASIC BIOLOGY TOTAL, THE END, THE MAXIMUM AMOUNT AS
15 CURRENTLY VOTED?

16 DR. OLSON: I WOULD SAY FOR BASIC
17 RESEARCH -- NOT ONLY WILL I SAY, AT THE MOMENT ABOUT
18 430 MILLION WILL HAVE BEEN ALLOCATED TO WHAT I CALL
19 BASIC RESEARCH BY THE END OF THE FUNDING AS THIS
20 ROUND OF FUNDING.

21 DR. CHIU: AS PROJECTED FORWARD. I DON'T
22 INTEND TO CONSIDER TRAINING AS BASIC BIOLOGY.

23 DR. OLSON: I'M NOT INCLUDING TRAINING IN
24 THAT NUMBER.

25 DR. CHIU: JUST COMPREHENSIVE, SEED, ETC.

BARRISTERS' REPORTING SERVICE

1 DR. OLSON: YEAH. FOUR HUNDRED THIRTY
2 MILLION.

3 DR. CHIU: FOUR HUNDRED THIRTY MILLION
4 TOTAL, INCLUDING THE 60 THAT JUST GOT VOTED ON.

5 DR. OLSON: INCLUDING THE 60 THAT JUST GOT
6 VOTED ON.

7 DR. CHIU: FOUR HUNDRED THIRTY, GOOD
8 NUMBER TO REMEMBER.

9 DR. OLSON: PARTICULARLY YOU SHOULD LOOK
10 AT IT IN COMPARISON TO THE OTHER. LIKE IF YOU LOOK
11 AT THE TRAINING, YOU SHOULD SORT OF CONSIDER A LOT
12 OF THOSE AS BASIC RESEARCH TOO.

13 CHAIRMAN THOMAS: MARIA, PLEASE CALL THE
14 ROLL.

15 MS. BONNEVILLE: LARS BERGLUND.

16 DR. BERGLUND: YES.

17 MS. BONNEVILLE: LINDA BOXER.

18 DR. BOXER: YES.

19 MS. BONNEVILLE: DAVID BRENNER.

20 DR. BRENNER: YES.

21 MS. BONNEVILLE: SUE BRYANT. ANNE-MARIE
22 DULIEGE.

23 DR. DULIEGE: YES.

24 MS. BONNEVILLE: MARCY FEIT.

25 MS. FEIT: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: LEON FINE.
2 DR. FINE: YES.
3 MS. BONNEVILLE: ELIZABETH FINI.
4 DR. FINI: YES.
5 MS. BONNEVILLE: JUDY GASSON.
6 DR. GASSON: YES.
7 MS. BONNEVILLE: MICHAEL GOLDBERG.
8 MR. GOLDBERG: YES.
9 MS. BONNEVILLE: SAM HAWGOOD.
10 DR. HAWGOOD: YES.
11 MS. BONNEVILLE: STEPHEN JUELSGAARD.
12 DR. JUELSGAARD: YES.
13 MS. BONNEVILLE: TED KRONIRIS.
14 DR. KRONIRIS: YES.
15 MS. BONNEVILLE: SHERRY LANSING.
16 MS. LANSING: YES.
17 MS. BONNEVILLE: BERT LUBIN.
18 DR. LUBIN: YES.
19 MS. BONNEVILLE: FRANCISCO PRIETO.
20 DR. PRIETO: AYE.
21 MS. BONNEVILLE: ROBERT QUINT.
22 DR. QUINT: YES.
23 MS. BONNEVILLE: AL ROWLETT. JOAN
24 SAMUELSON. JEFF SHEEHY.
25 MR. SHEEHY: YES.

BARRISTERS' REPORTING SERVICE

1 MS. BONNEVILLE: OSWALD STEWARD. JONATHAN
2 THOMAS.

3 CHAIRMAN THOMAS: YES.

4 MS. BONNEVILLE: ART TORRES.

5 MR. TORRES: AYE.

6 MS. BONNEVILLE: CARL WARE.

7 DR. WARE: YES.

8 MS. BONNEVILLE: DONNA WESTON.

9 DR. WESTON: YES.

10 MS. BONNEVILLE: DIANE WINOKUR.

11 MS. WINOKUR: YES.

12 CHAIRMAN THOMAS: OKAY. WE ARE ON A ROLL.
13 THREE FOR THREE UNANIMOUS. OKAY.

14 WE ARE NOW GOING TO GO TO DISCUSSION OF
15 ITEM NO. 2 AND THEN WE'LL GET TO ITEM NO. 1, FOR
16 WHICH WE HAVE A NUMBER OF FOLKS IN ATTENDANCE. ITEM
17 NO. 2, TRAINING GRANTS. DR. YAFFE. WE'RE STILL ON
18 TAB 6 IN YOUR BOOK FOR THOSE FOLLOWING. THIS IS
19 ITEM NO. 2

20 DR. YAFFE: CHAIRMAN THOMAS, YOU WANT TO
21 DO TRAINING BEFORE SHARED LABS? THE ORDER I HAVE IT
22 IN IS SHARED LABS AND THEN TRAINING, BUT I CAN
23 REVERSE THAT.

24 CHAIRMAN THOMAS: IF THAT'S THE ORDER,
25 LET'S DO SHARED LABS FIRST.

BARRISTERS' REPORTING SERVICE

1 DR. YAFFE: I'M GOING TO PROVIDE FOR YOU
2 THE RECOMMENDATION OF THE SAB AND MANAGEMENT'S
3 RECOMMENDATION ON THE SHARED RESEARCH LABS AND THE
4 TRAINING PROGRAM, AND WE'LL TAKE THOSE
5 CONSECUTIVELY.

6 AND JUST TO BRIEFLY REVIEW, THE SHARED
7 LABS PROGRAM, SINCE A NUMBER OF US WERE NOT AT CIRM
8 WHEN THIS PROGRAM WAS INSTITUTED, THE PROGRAM'S
9 GOALS WERE TO ESTABLISH SAFE HAVENS FOR STEM CELL
10 RESEARCH. REMEMBER THIS WAS ESTABLISHED AT A TIME
11 WHEN THERE WAS A BAN ON FEDERAL FUNDING FOR MUCH
12 WORK ON EMBRYONIC STEM CELLS. FURTHER, TO ESTABLISH
13 ADVANCED CORE SERVICES TO FACILITATE STEM CELL
14 RESEARCH, AND TO PROVIDE EXPERTISE AND TRAINING IN
15 STEM CELL TECHNIQUES FOR THE CALIFORNIA RESEARCH
16 COMMUNITY.

17 THE PROGRAM HAS FEATURED AND SUPPORTED 17
18 LABS WHICH WERE ESTABLISHED AND SUPPORTED AT
19 UNIVERSITIES AND RESEARCH INSTITUTES THROUGHOUT
20 CALIFORNIA. THESE LABS CONTAIN FACILITIES AND
21 PROVIDED EXPERTISE FOR CELL CULTURE, STEM CELL
22 CULTURE, PARTICULARLY HUMAN STEM CELL CULTURE, HUMAN
23 STEM CELL DERIVATION, CYTOMETRY, PARTICULARLY FACT
24 SORTING, AND ADVANCED MICROSCOPY, AND MICROSCOPIC
25 TECHNIQUES APPLIED TO STEM CELL PROBLEMS.

BARRISTERS' REPORTING SERVICE

1 IN ADDITION, A KEY MISSION OF THE SHARED
2 LABS WAS TRAINING. SIX OF THE LABS WERE
3 PARTICULARLY DESIGNATED TO PROVIDE FORMAL STEM CELL
4 TECHNIQUES COURSES AND WERE FUNDED AT A HIGHER
5 LEVEL. AND ADDITIONALLY, ALL OF THE SHARED LABS
6 WERE EXPECTED TO AND HAVE PROVIDED ONE-ON-ONE
7 INSTRUCTION, WORKSHOPS, AND INFORMAL COURSES IN STEM
8 CELL TECHNIQUES.

9 THE PROGRAM TOTAL FUNDS COMMITTED HAS BEEN
10 \$72 MILLION. THIS INCLUDED THE ORIGINAL LAB SETUP,
11 THE PURCHASE OF EQUIPMENT, AND THREE YEARS OF
12 OPERATING BUDGET. THIS WAS APPROVED IN 2007 FOR
13 50.5 MILLION, AND THEN THERE WAS A THREE-YEAR
14 CONTINUATION WHICH YOU APPROVED IN 2011 FOR ANOTHER
15 \$21.5 MILLION.

16 THE SAB MADE A RECOMMENDATION THAT THERE
17 SHOULD BE NO FURTHER FUNDING OF SHARED LABS BEYOND
18 THE CURRENT GRANT PERIODS. THE RATIONALE FOR THIS
19 DECISION WAS, FIRST, THAT THE SAFE HAVEN ROLE IS NO
20 LONGER NEEDED OR ESSENTIAL FOR CIRM'S MISSION. THAT
21 THE FACILITIES HAVE BEEN ESTABLISHED, EQUIPMENT IS
22 IN PLACE, OPERATIONAL, AND AVAILABLE TO RESEARCHERS.
23 THE OPINION THAT THE SHARED LABS SHOULD OPERATE ON A
24 REVENUE NEUTRAL BASIS THROUGH RECHARGE MECHANISMS
25 AND/OR INSTITUTIONAL SUPPORT.

BARRISTERS' REPORTING SERVICE

1 RELEVANT TO THIS POINT, WE HAVE ENCOURAGED
2 AND MOST OR ALL OF THE SHARED LABS HAVE SET UP
3 RECHARGE STRUCTURES AND ARE RECOUPING AT LEAST SOME
4 COSTS FROM USERS.

5 WITH REGARD TO TRAINING, SOME TRAINING
6 COURSES MAY NO LONGER BE NECESSARY SINCE THERE HAS
7 BEEN A CONSIDERABLE CONCENTRATION OF STEM CELL
8 EXPERTISE IN CALIFORNIA AND WITHIN THE RESEARCH
9 COMMUNITY. MANY TECHNIQUES ARE NOW READILY
10 AVAILABLE IN A LARGE NUMBER OF LABS THAT WE HAVE
11 SUPPORTED. THAT SHARED LABS HAVE BEEN PARTICULARLY
12 SUCCESSFUL IN THEIR TRAINING ACTIVITIES, AND IT'S
13 NOT CLEAR THAT SUCH A WIDERANGING TRAINING EFFORT
14 NEEDS TO BE MADE AT THIS POINT.

15 FURTHER, SOME TRAINING COURSES CAN BE
16 SUPPORTED THROUGH COURSE FEES. THROUGH OUR BRIDGES
17 TO STEM CELL RESEARCH TRAINING PROGRAM, WE PROVIDE
18 FOR EACH TRAINEE FUNDS AVAILABLE FOR A STEM CELL
19 COURSE. THESE FEES CAN BE USED TO SUPPORT TRAINING
20 ACTIVITIES.

21 SO STAFF ACCEPTS THE SAB RECOMMENDATION ON
22 SHARED LABS AND RECOMMENDS NO FURTHER FUNDING OF THE
23 SHARED LAB PROGRAM.

24 MR. TORRES: WHY?

25 DR. YAFFE: BECAUSE WE'RE IN A PERIOD, I

BARRISTERS' REPORTING SERVICE

1 DON'T NEED TO TELL YOU, OF ZERO-SUM GAME OF LIMITING
2 RESOURCES GOING FORWARD. AND IT WAS THE OPINION OF
3 THE SAB AND IS THE OPINION OF MANAGEMENT THAT THE
4 FUNDS THAT WOULD BE REQUIRED TO FURTHER FUND THE
5 SHARED LABS COULD BE USED FOR OTHER PROGRAMS.

6 MR. TORRES: SO WHAT HAPPENS TO THE
7 TRAINEES THAT COME THROUGH BRIDGES? WILL THEY HAVE
8 A PLACE TO GO?

9 DR. YAFFE: OUR TRAINEES ON THE BRIDGES
10 PROGRAM HAVE MONEY ALLOCATED FOR TRAINING PROGRAMS.
11 EITHER SOME OF THE LABS WILL CONTINUE TO PROVIDE
12 SHARED LAB STRUCTURES. ENTITIES WILL CONTINUE TO
13 PROVIDE TRAINING COURSES. THERE'S CONSIDERABLE
14 FUNDING AVAILABLE FOR THOSE COURSES FROM THE BRIDGES
15 PROGRAM, OR THERE ARE ALSO ALTERNATIVES NOW AT
16 COMMERCIAL ENTITIES IN CALIFORNIA. THERE ARE STEM
17 CELL TRAINING TECHNIQUES COURSES OFFERED THROUGH
18 LIFE TECHNOLOGIES IN CARLSBAD, CALIFORNIA, THROUGH
19 SYSTEMS BIOSCIENCES IN MOUNTAIN VIEW, CALIFORNIA.
20 THESE ARE THREE- TO FIVE-DAY COURSES COSTING 1300 TO
21 \$1500. WE PROVIDE FUNDS MORE THAN THAT FOR SUPPORT
22 OF STEM CELL TECHNIQUES COURSES.

23 SO THERE ARE OTHER ALTERNATIVES AVAILABLE
24 BEYOND TRAINING AT THE ESTABLISHED CIRM-SUPPORTED
25 SHARED LABS.

BARRISTERS' REPORTING SERVICE

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MR. TORRES: BESIDES THEIR OWN MONEY?

DR. YAFFE: WE'RE PROVIDING MONEY FOR TRAINING FOR THOSE STUDENTS.

MR. TORRES: YOU'RE SAYING THAT PROVIDES THEM MONEY FOR THE SHARED LABS?

DR. YAFFE: THAT MONEY IS BEING SPENT CURRENTLY AT THE SHARED LABS ON TOP OF THE SHARED LAB GRANTS THAT WE ARE PROVIDING. THE SHARED LABS WERE NEVER ENVISIONED TO SUBSTITUTE FOR TRAINING PROGRAMS OR TO BE UNDERWRITTEN BY TRAINING PROGRAMS. THAT WAS NOT A DESIGN OF THE SHARED LAB PROGRAM.

MR. HARRISON: I JUST WANTED TO CLARIFY FOR THE MEMBERS OF THE BOARD AND THE PUBLIC, BECAUSE THIS DISCUSSION AFFECTS EXISTING AWARDS, THOSE OF YOU WHO ARE AFFILIATED OR HAVE A FINANCIAL INTEREST IN AN INSTITUTION THAT IS THE RECIPIENT OF SUCH AN AWARD CANNOT PARTICIPATE IN THIS DISCUSSION OR VOTE. SO THE MEMBERS WHO ARE ELIGIBLE TO PARTICIPATE IN THIS DISCUSSION ARE MEMBERS JUELSGAARD, QUINT, SAMUELSON, THOMAS, TORRES, WINOKUR, AND GOLDBERG.

CHAIRMAN THOMAS: SO, MICHAEL, UNDER OUR MOST RECENT STRATEGIC PLAN AMENDMENTS, WAS IT ENVISIONED, PRIOR TO THE SAB DISCUSSING THE TOPIC, THAT SHARED LABS WOULD BE EXTENDED?

DR. YAFFE: WE HAD A NUMBER OF DIFFERENT

BARRISTERS' REPORTING SERVICE

1 SCENARIOS. I BELIEVE UNDER ONE SCENARIO SHARED LABS
2 WAS GOING TO BE EXTENDED, ON ANOTHER IT WAS NOT.
3 ONE COULD LOOK MORE BROADLY AT THOSE SCENARIOS.
4 UNDER ONE OF THOSE SCENARIOS, THERE WOULD BE NO MORE
5 TRAINING FUNDS, WHICH IS NOT SOMETHING WE'RE
6 RECOMMENDING. ON ANOTHER SCENARIO, TRAINING FUNDS
7 WOULD BE GREATLY CURTAILED. PAT, IS THAT CORRECT?

8 DR. OLSON: THE SCENARIO WE HAD BEEN
9 OPERATING ON WAS SCENARIO 1, WHICH DID NOT ALLOW ANY
10 FURTHER TRAINING OR SHARED LABS, ALTHOUGH WE DID PUT
11 FORTH A SCENARIO, SCENARIO 2, WHICH INCLUDED SHARED
12 LABS AND MUCH REDUCED TRAINING, AS MICHAEL SAID.
13 YOU SAW IT WAS AT THE EXPENSE OF BASIC BIO. IT CUT
14 EARLY TRANSLATION A LOT, AND IT CUT DEVELOPMENT BY
15 20 MILLION. IT'S THE SAME THING YOU ALL KNOW. IT'S
16 A TRADE-OFF GAME. SO YOU HAVE TO DECIDE WHAT'S
17 IMPORTANT FOR THIS ORGANIZATION MOVING FORWARD.

18 DR. JUELSGAARD: SO NOT REALLY A QUESTION
19 FOR YOU, MICHAEL, BUT I'VE BEEN MADE AWARE THAT WE
20 HAVE A NUMBER OF COMMENTS FROM THE PUBLIC THAT WILL
21 BE MADE ABOUT THIS NOTION. AND SOME OF THEM MAY BE
22 NOT IN FAVOR, LET ME PUT IT THAT WAY. TO THE EXTENT
23 THAT WE HAVE COMMENTS FROM THE PUBLIC, I WOULD BE
24 VERY INTERESTED IN HEARING HOW THEY WERE PLANNING ON
25 DEALING WITH THIS IN ANY EVENT GIVEN THAT THIS IS

BARRISTERS' REPORTING SERVICE

1 JUST A TIMING ISSUE. AT SOME POINT THIS SHARED LAB
2 SUPPORT IS GOING TO GO AWAY BECAUSE, BASED ON WHERE
3 WE ARE RIGHT NOW, ALL CIRM SUPPORT, GENERALLY
4 SPEAKING, IS GOING TO GO AWAY. SO IF THIS IS JUST
5 BRINGING THE PROCESS FORWARD THREE YEARS, HOW ARE
6 THEY THINKING ABOUT WHAT WAS GOING TO HAPPEN THREE
7 YEARS FROM NOW? JUST A REQUEST ON MY PART.

8 DR. YAFFE: I COULD ACTUALLY ADDRESS THAT
9 IN PART. I CAN'T SPEAK FOR THEM. BUT AT THE TIME
10 THAT THE SHARED LAB EXTENSION WAS APPROVED BY YOU
11 TWO YEARS AGO, WE ALERTED, CAUTIONED, AND ENCOURAGED
12 ALL SHARED LABS TO DEVELOP PLANS FOR SUSTAINABILITY.
13 WE HAVE ENCOURAGED AND ENDORSED A RECHARGE
14 STRUCTURE, AS I MENTIONED. MOST OR ALL OF THE
15 SHARED LABS HAVE THAT NOW. WE HAVE ENCOURAGED THEM
16 TO FIND OTHER SOURCES OF FUNDING. WE ALERTED THEM
17 THAT SUPPORT FOR SHARED LABS WOULD NOT GO ON
18 INDEFINITELY.

19 NOW, I'M SURE EACH HAS RESPONDED IN THEIR
20 OWN WAY.

21 DR. JUELSGAARD: THANKS.

22 CHAIRMAN THOMAS: OTHER COMMENTS BY
23 ELIGIBLE MEMBERS OF THE BOARD? HEARING NONE, LET'S
24 NOW GO TO PUBLIC COMMENT.

25 DR. LORING: I'M THE FIRST MEMBER OF THE

BARRISTERS' REPORTING SERVICE

1 PUBLIC. I'M JEANNE LORING. I'M FROM THE SCRIPPS
2 RESEARCH INSTITUTE. AND I HAVE JOINED -- I AM
3 JOINED HERE BY ABOUT A DOZEN OF MY COLLEAGUES, ALL
4 OF WHOM WHO ARE ON-THE-GROUND, HARD CORE CIRM-FUNDED
5 STEM CELL RESEARCHERS. AND WE'VE ALL COME TOGETHER
6 BECAUSE OF OUR CONCERNS ABOUT THE IMPACT OF CLOSING
7 THE SHARED LABS.

8 AND JUST THINK ABOUT THAT FOR A MINUTE.
9 SO SOME OF THE POINTS THEY'RE GOING TO MAKE, I'M NOT
10 GOING TO MAKE THEM ALL FOR THEM BECAUSE THEY ALL
11 HAVE THEIR PERSONAL MOST IMPORTANT THINGS THEY WANT
12 TO TALK ABOUT. I THINK THE MOST IMPORTANT THING TO
13 NOTE RIGHT NOW IS THAT OUR MISSION IS NO LONGER TO
14 CULTURE EMBRYONIC STEM CELLS THAT ARE NOT ELIGIBLE
15 FOR NIH FUNDING. WE DO DO SOME OF THAT. BUT WE'VE
16 EVOLVED, AND SO OUR MISSION NOW IS TO ESSENTIALLY BE
17 A PLACE WHERE ALL OF THE RESEARCH FUNDED BY CIRM
18 TAKES PLACE.

19 IN MANY OF OUR INSTITUTIONS, WE DON'T HAVE
20 INDIVIDUAL LABS. THESE ARE THE LABS THAT PEOPLE USE
21 TO DO THEIR PRELIMINARY RESEARCH. ALSO THE LABS
22 THEY USE TO MAKE -- TO DEVELOP THE PROTOCOLS THAT
23 THEY'RE GOING TO BE USING FOR THEIR DISEASE TEAM AND
24 THEIR TRANSLATIONAL RESEARCH.

25 SO ONE OF THE IMPORTANT POINTS THAT ONE OF

BARRISTERS' REPORTING SERVICE

1 OUR GROUP WILL MAKE IS THE REALITIES OF TRYING TO
2 MAINTAIN A COST NEUTRAL CORE LAB ON ANY CAMPUS IN
3 CALIFORNIA.

4 AND THEN, FINALLY, I WANT TO POINT OUT
5 THAT WE ARE THE FACE OF CIRM IN OUR INDIVIDUAL TOWNS
6 AND CITIES. THAT IS, WE'RE THE ONES THAT THE MEDIA
7 CALL. THE SHARED LABS ARE CONSIDERED TO BE CIRM
8 EXTENSIONS. AND SO WE'RE THE ONES THAT MEDIA CALL.
9 WE'RE THE ONES THAT DO THE PUBLIC TOURS. WE'RE THE
10 ONES WHO DO THE OUTREACH TO THE PEOPLE WHO WILL BE,
11 IN FACT, VOTING ON OUR NEXT POTENTIAL ROUND OF CIRM
12 FUNDING.

13 THE NEXT SPEAKER, PLEASE.

14 DR. DONOVAN: MY NAME IS PETER DONOVAN.
15 I'M FROM UC IRVINE, AND I'M THE DIRECTOR OF THE
16 SHARED RESEARCH LAB GRANT THERE. APPRECIATE THE
17 OPPORTUNITY TO TALK TO YOU TODAY ABOUT THE SHARED
18 RESEARCH LABS. BUT WE RESPECTFULLY DISAGREE WITH
19 THE SCIENTIFIC ADVISORY BOARD. IN FACT, WE THINK
20 THE SHARED RESEARCH LABS CONTINUE TO BE THE CEMENT
21 THAT HOLDS ALL OF YOUR PROGRAMS TOGETHER, ALL OF THE
22 THINGS YOU TALKED ABOUT TODAY, THE BASIC RESEARCH,
23 THE TRAINING PROGRAMS, THE BRIDGES PROGRAMS, THE
24 EARLY TRANSLATION AWARDS, AND THE DISEASE TEAMS.
25 ALL OF THAT IS SUPPORTED BY THE SHARED RESEARCH

BARRISTERS' REPORTING SERVICE

1 LABS, AND WE THINK ACTUALLY THE NEED FOR TRAINING IN
2 STEM CELL RESEARCH AND SUPPORT OF EXPERIENCED CORE
3 STAFF HAS INCREASED RATHER THAN DIMINISHED IN PART
4 BECAUSE THE FIELD HAS MOVED TO INDUCED PLURIPOTENT
5 STEM CELLS, AND ENGINEERS REALLY DON'T KNOW HOW TO
6 GROW THEM. SO THEY COME TO OUR CORE FACILITY TO
7 LEARN.

8 SO WE THINK THE NEED FOR THAT HAS REALLY
9 INCREASED. AND WE THINK YOU SHOULD LOOK ALSO AT
10 WHAT THE SHARED RESEARCH LABS DO FOR OUR
11 INSTITUTION. AND THAT IS THEY ALLOW US TO LEVERAGE
12 YOUR FUNDS IN FUNDING FROM EXTERNAL SOURCES. AND
13 FROM OUR ESTIMATE BEFORE WE CAME TO THIS MEETING, WE
14 THINK THAT FOR EVERY DOLLAR YOU INVEST IN THE SHARED
15 RESEARCH LABS, WE BRING ABOUT \$8 FROM NIH FUNDING
16 ALONE.

17 LET ME TELL YOU A LITTLE STORY ABOUT OUR
18 INSTITUTION. WE JUST GOT A NEW NIH TRAINING GRANT
19 FOR STEM CELL TRANSLATIONAL MEDICINE IN
20 NEURODEGENERATIVE DISEASE. IT PROVIDES MONEY FOR
21 SIX PEOPLE FOR FIVE YEARS, WORKING IN LABS OF PEOPLE
22 LIKE LESLIE THOMPSON ON HUNTINGTON'S DISEASE WHO HAS
23 AN EARLY TRANSLATION AWARD; BRIAN CUMMINGS WHO'S
24 WORKING ON A CLINICALLY APPROVED STEM CELL LINE FOR
25 TRAUMATIC BRAIN INJURY; MATTHEW JONES WHO'S ON THE

BARRISTERS' REPORTING SERVICE

1 DISEASE TEAM WORKING ON ALZHEIMER'S DISEASE. THAT
2 GRANT PROVIDES MONEY TO SUPPORT ALL THOSE PEOPLE,
3 AND ALL WE HAVE TO DO IS SPEND \$10,000 OF CIRM MONEY
4 TO TRAIN THOSE PEOPLE. SO \$10,000 THAT WE SPEND OF
5 CIRM MONEY GETS US \$150,000 AND SIX MORE PEOPLE IN
6 THE TRENCHES WORKING ON THINGS THAT ARE REALLY
7 RELEVANT TO YOU.

8 AND JUST TO FINALLY MENTION THAT THERE WAS
9 AN UNEXPECTED BONUS OF THE SHARED RESEARCH LABS,
10 THAT THEY'RE INVOLVED IN PUBLIC OUTREACH AND TELLING
11 THE PUBLIC ABOUT WHAT STEM CELLS ARE AND THE MISSION
12 OF CIRM. AND WE THINK THAT'S REALLY IMPORTANT. AND
13 THEY'VE BEEN REALLY IMPORTANT IN PHILANTHROPY
14 BRINGING MONEY IN. THEY DON'T NECESSARILY BRING
15 MONEY IN TO SUPPORT THE CORE FACILITY ITSELF, BUT
16 THEY BRING A LOT OF MONEY INTO THE INSTITUTIONS.
17 THANK YOU.

18 DR. WILLOUT: HELLO. MY NAME IS KARL
19 WILLOUT. I'M AN ASSISTANT PROFESSOR AT UNIVERSITY
20 OF CALIFORNIA IN SAN DIEGO, AND I'M ADDRESSING YOU
21 TO TALK ABOUT THESE SHARED FACILITIES, THESE SHARED
22 RESEARCH LABS. FIRST, I WANT TO EXTEND MY GRATITUDE
23 TO ALL OF YOU FOR SUPPORTING THEM FOR THESE LAST
24 FIVE YEARS.

25 AND THERE'S REALLY TWO MAIN POINTS I'D

BARRISTERS' REPORTING SERVICE

1 LIKE TO MAKE AT THIS POINT TO HOPEFULLY ENCOURAGE
2 YOU TO CONTINUE SUPPORT FOR.

3 SO FIRST, THIS MAY NOT BE IMMEDIATELY
4 OBVIOUS, BUT THE SHARED FACILITIES ARE IN DIRECT
5 LINE WITH THE STRATEGIC PLAN FOR CIRM. AS EVERYONE
6 HAS ALREADY ALLUDED TO, THEY REALLY SUPPORT TRAINING
7 MISSIONS. THIS IS THE PIPELINE WHERE STUDENTS COME
8 THROUGH, POST DOCS, CLINICAL FELLOWS, THEY BECOME
9 TRAINED. THESE ARE THE MOST HIGHLY TRAINED
10 WORKFORCE YOU'LL EVER CREATE. THEY COME THROUGH
11 THESE SHARED RESEARCH LABS.

12 ANOTHER REALLY CRITICAL POINT IS ANY NEW
13 INVESTIGATOR THAT'S RECRUITED TO CALIFORNIA,
14 ASSISTANT PROFESSORS, EVEN FULL PROFESSORS, THEY
15 HAVE A FAST-START ENVIRONMENT HERE TO DO STEM CELL
16 RESEARCH. THEY CAN STEP INTO THAT LAB FROM ONE DAY
17 TO THE NEXT AND PERFORM HIGH IMPACT STEM CELL
18 RESEARCH IMMEDIATELY.

19 AND THEN FINALLY, THE SHARED RESEARCH LABS
20 ARE REALLY CRITICAL IN SUPPORTING THE DISEASE TEAMS
21 THAT ARE ALREADY IN PLACE.

22 SO THEN THE SECOND REALLY MAJOR POINT THAT
23 I CAN'T EXPRESS ENOUGH CAN BE SUMMARIZED IN ONE
24 WORD, LEVERAGE. AND SO I DID A SHORT SURVEY OF ALL
25 THE SHARED LABS IN CALIFORNIA, 17 IN TOTAL, AND SORT

BARRISTERS' REPORTING SERVICE

1 OF COUNTED UP ALL THE NIH GRANTS AND OTHER GRANTS.
2 AND THE BACK OF THE ENVELOPE CALCULATION, AS PETER
3 ALREADY ALLUDED TO, IS A RATIO OF TEN TO ONE. FOR
4 EVERY DOLLAR THAT CIRM PUTS INTO THESE CORES, WE GET
5 ABOUT \$10 BACK FROM THE NIH AND OTHER FUNDING
6 AGENCIES. SO THOSE ARE SOME OF MY MAIN COMMENTS,
7 AND THANK YOU VERY MUCH.

8 MS. HIKITA: GOOD AFTERNOON. MY NAME IS
9 SHERRY HIKITA, AND I REPRESENT UC SANTA BARBARA. MY
10 COLLEAGUE, DR. DENNIS CLEGG, IS TRAVELING TODAY AND
11 COULDN'T BE WITH US TODAY, SO I'M ALSO SPEAKING ON
12 HIS BEHALF.

13 FIRST, I'D LIKE TO THANK FIRST CIRM AND
14 ICOC FOR THE SUPPORT OF THE SHARED LABS. AND I'M
15 HERE TODAY TO CONVEY TO YOU HOW ABSOLUTELY CRITICAL
16 THE CORE LABS ARE IN ENABLING THE CIRM-FUNDED
17 DISEASE TEAMS, AND PARTICULARLY WITH DEVELOPING THE
18 PROTOCOLS TO GENERATE CELLS READY FOR CLINIC. THE
19 UCSB STEM CELLS COURSE PLAYED A SIGNIFICANT ROLE IN
20 THE PROGRESS OF OUR CIRM-FUNDED DISEASE PROJECT,
21 WHICH IS TO DEVELOP A STEM CELL-BASED THERAPY FOR
22 BLINDING DISEASE AGE-RELATED MACULAR DEGENERATION.

23 WE HAVE BEEN TRACKING USAGE OF OUR CORE
24 LABS SINCE 2009, AND I'VE BEEN ABLE TO DETERMINE
25 THAT 66, UPWARDS OF 66 PERCENT OF THE TOTAL USAGE

BARRISTERS' REPORTING SERVICE

1 HOURS HAVE BEEN DEDICATED TO DISEASE TEAM PROJECTS.
2 AND THIS ALLOWED US TO MEET THE MILESTONES THAT DR.
3 FEIGAL REFERRED TO EARLIER SUCCESSFULLY AND ON TIME.
4 AND WE CONTINUE TO UTILIZE THE LAB FOR ONGOING
5 EXPERIMENTS IN SUPPORT OF THIS PROJECT. AND WE'RE
6 ON TRACK TO FILE AN IND WITH THE FDA IN 2014.

7 SO OUR PROJECT AND OTHER DISEASE TEAM
8 PROJECTS THAT ARE ON THIS TRAJECTORY TO THE CLINIC
9 WILL SURELY BE IMPEDED BY LOSS OF FUNDING TO THE
10 CORE LABS.

11 I'LL CLOSE WITH A COMMENT THAT I HEARD AT
12 THE RECENT WORLD STEM CELL SUMMIT MEETING IN SAN
13 DIEGO. I ATTENDED A STEM CELL CORE FACILITY PANEL
14 DISCUSSION, AND THE PANEL WAS ASKED ABOUT WHETHER OR
15 NOT CORE LABS COULD BE SUSTAINED BY RECHARGE ONLY.
16 AND ONE OF THE PANELISTS, NEIL LUDWIG FROM WICELL,
17 WHO'S WIDELY RESPECTED IN THE FIELD AND OVERSEES THE
18 ORIGINAL STEM CELL CORE FACILITY, SAID THIS. "IT IS
19 IMPOSSIBLE TO BE COST NEUTRAL BY RECHARGE ONLY, AND
20 SUPPLEMENTAL FUNDS ARE NECESSARY TO SUCCESSFULLY
21 SUSTAIN CORE LAB OPERATIONS, PARTICULARLY TO
22 MAINTAIN SALARIES OF SKILLED PERSONNEL."

23 I FOUND THIS TO BE A VERY SOBERING
24 STATEMENT. IT'S MY SINCERE HOPE THAT YOU WILL
25 CONTINUE TO SUPPORT THESE CORE LABS AND ALLOW THEM

BARRISTERS' REPORTING SERVICE

1 TO CONTINUE ACCELERATING STEM CELL DISCOVERIES TO
2 THE CLINIC. THANK YOU.

3 DR. SNYDER: I'M EVAN SNYDER. I'M THE
4 DIRECTOR OF THE SHARED LABS AT THE SANFORD-BURNHAM
5 INSTITUTE. HAD THE SHARED LABS REMAINED IN THE
6 POSITION OR THE DESCRIPTION THAT THEY WERE SIX YEARS
7 AGO WHEN THE RFA HAD FIRST BEEN ISSUED, THE SAB MAY
8 HAVE BEEN CORRECT IN THEIR CONCLUSION. HOWEVER,
9 OVER THE YEARS THEY'VE BECOME SO MUCH MORE. THEY'VE
10 BECOME ABSOLUTELY ESSENTIAL TO THE MISSION OF CIRM.
11 AND, IN FACT, A VERY SMALL INVESTMENT HAS BEEN
12 LEVERAGED INTO A HUGE TRANSLATIONAL GAIN FOR CIRM.
13 AND I WOULD EVEN SUBMIT IS ONE OF THE CROWNING
14 ACHIEVEMENTS OF CIRM. IT'S UNPARALLELED IN THE
15 WORLD. AND THAT BASICALLY IS THAT, AS WAS SAID
16 BEFORE, IT IS THE GLUE OF WHAT HOLDS ALL OF CIRM AND
17 STEM CELL INVESTIGATORS TOGETHER, CERTAINLY ON THE
18 MESA. AND IT PERFORMS FUNCTIONS THAT WOULD NEVER
19 EVER BE ABLE TO BE COMPENSATED BY RECHARGES, SO
20 DAY-TO-DAY, HAND-TO-HAND, SIDE-BY-SIDE CONSULTATION
21 AND TRAINING, HUGE OUTREACH, GARNERING SUPPORT FROM
22 THE PRIVATE SECTOR, FROM PHILANTHROPISTS, FROM
23 REGULATORY AGENCIES, GIVING TOURS.

24 AND THEN IN TERMS OF THE RESEARCH THEY DO,
25 AND THEY DO A HUGE AMOUNT OF RESEARCH, THEY ARE NOT

BARRISTERS' REPORTING SERVICE

1 THE KIND OF RESEARCH PROJECTS THAT WOULD EVER BE
2 FUNDED BY NIH OR BY BIOTECH OR BY PHILANTHROPY
3 BECAUSE THEY'RE TECHNOLOGICAL RESEARCH. THEY ARE
4 NON-HYPOTHESIS DRIVEN RESEARCH. BUT AS YOU KNOW,
5 THE DEVIL IS IN THE DETAILS, AND THESE ARE WHERE THE
6 PROTOCOLS ARE WORKED OUT, THE MEDIA IS CHAINED,
7 SCALE-UP GETS WORKED OUT, HIGH THROUGHPUT MECHANISMS
8 GET WORKED OUT, PROTOCOLS ARE DERIVED, EVEN FEEDING
9 THE IPS CELLS TO THE DRUG DISCOVERY INFRASTRUCTURE,
10 AND WHERE STANDARDS, BOTH STANDARDS OF PROTOCOL AND
11 EVEN STANDARDS OF ETHICS, ARE DERIVED.

12 IT'S A WONDERFUL LINK TO INDUSTRY. IN
13 FACT, IT WAS MENTIONED THAT THE LIFE TECH NOW HAS A
14 TRAINING COURSE. WELL, THEY WERE TRAINED IN THE
15 SHARED LABS TO GO OUT THERE. THAT'S WHERE THEY
16 RECEIVED THEIR TRAINING. SO IT'S A HUGE ECONOMIC
17 DRIVER. AND I JUST WOULD END BY SAYING THAT THESE
18 SHARED LABS ARE UNIQUE IN THE WORLD, AND I THINK
19 IT'S CHANGED FROM THEIR ORIGINAL DESCRIPTION. AND I
20 BELIEVE IF THE SAB KNEW WHAT THEY WERE DOING NOW,
21 THEY WOULD NEVER ADVOCATE DISMANTLING WHAT IS SUCH
22 AN IMPORTANT PART OF THE CIRM MISSION.

23 MS. FORSBERG: I AM CAMILLA FORSBERG FROM
24 UC SANTA CRUZ, AND I FLEW DOWN FROM SANTA CRUZ TODAY
25 ALSO TO SPEAK IN SUPPORT OF EXTENDING THE SHARED

BARRISTERS' REPORTING SERVICE

1 LABS.
2 SO THE NO. 1 THING ON MY CHRISTMAS WISH
3 LIST AND ON, I BET, MOST OTHER SCIENTIST'S CHRISTMAS
4 WISH LIST AND MAYBE ON YOUR WISH LIST AS WELL IS
5 MORE TIME. AND I FEEL THAT ONE OF THE THINGS THAT
6 THE SHARED FACILITIES DOES FOR ME IS TO SAVE ME
7 TIME. BY HAVING EXCELLENT INFRASTRUCTURE RUN BY
8 TRAINED PERSONNEL, I DON'T HAVE TO WORRY ABOUT THE
9 CELL CULTURE FACILITIES OR THE FACS SORTERS OR
10 CHANGING MEDIA ON CELL CULTURES ON AN EVERYDAY
11 BASIS. EVERY DAY IN MY LAB MY RESEARCHERS, MYSELF,
12 AND MY COLLEAGUES AT UC SANTA CRUZ SAVE TIME AND ARE
13 ABLE TO FOCUS ON THE SCIENCE, ON THE PARTS THAT WE
14 DO BEST, BY HAVING THAT INFRASTRUCTURE IN PLACE.
15 THAT GOES FOR EVERY PROJECT THAT IS
16 RELATED TO STEM CELL RESEARCH THAT WE DO. SO I JUST
17 THINK THAT THE SHARED LABS IS ONE OF THE MOST
18 EFFICIENT WAYS OF SUPPORTING ALL OF STEM CELL
19 RESEARCH.
20 MS. FOX: MY NAME IS VICKIE FOX, AND I
21 REPRESENT USC. I'D LIKE TO SPEAK TO THE RELEVANCE
22 OF THE SHARED LABS IN RELATION TO THE RECENT HUMAN
23 IPSC REPOSITORY. CIRM HAS INVESTED A CONSIDERABLE
24 AMOUNT OF MONEY IN A REPOSITORY THAT WILL HOUSE
25 HUMAN STEM CELLS. THERE ARE VERY FEW RESEARCHERS IN

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA STILL THAT CAN WORK WITH THESE CELLS.
2 RESEARCHERS THAT ARE PROFICIENT AT WORKING WITH
3 PLURIPOTENT STEM CELLS WILL STILL BENEFIT FROM
4 SHARED LABS FOR THE TIME AND COST SAVINGS THAT THEY
5 PROVIDE; WHEREAS, FOR THE RESEARCHERS THAT ARE NOT
6 EFFICIENT AT WORKING WITH PLURIPOTENT STEM CELLS,
7 THIS REPOSITORY WILL SURELY ENCOURAGE A LOT MORE
8 PEOPLE INTO THE FIELD. THE SHARED LABS FOR THOSE
9 PEOPLE ARE THE DIFFERENCE BETWEEN THEM BUYING CELLS,
10 BEING ABLE TO EXPAND THEM, WORK WITH THEM, PERFORM
11 THESE MODERN EXPERIMENTS, GENETICALLY MODIFY THEM,
12 AND ACTUALLY GO ON TO DOING THE WORK, AND GIVING UP
13 AFTER A FEW MONTHS BECAUSE THEY CAN'T ACTUALLY
14 PROGRESS IN ANY WAY WITH THEM.

15 THE SHARED LABS PROVIDE A VERY IMPORTANT
16 ON-SITE AND OFF-SITE SPECIALIZED AND COST-EFFECTIVE
17 SUPPORT SERVICE THAT CAN SIMPLY NOT BE REPLICATED BY
18 RESEARCH LABS OR FOR-PROFIT COMPANIES. AND I REALLY
19 HOPE THAT A DECISION WILL BE MADE TO CONTINUE THEM,
20 IF NOT FOR THE INSTITUTIONS THAT THEY'RE HOUSED IN,
21 THEN FOR THE REPOSITORY THAT IS DEFINITELY GOING TO
22 NEED THE SUPPORT OF THE SHARED LABS. IF CALIFORNIA
23 WANTS TO CONTINUE TO BE LEADER IN HUMAN IPS RESEARCH
24 AND THEY WANT THE REPOSITORY TO BE BENEFICIAL TO
25 CALIFORNIA, THEN THE SHARED LABS ARE VERY MUCH AN

BARRISTERS' REPORTING SERVICE

1 INTEGRAL PART OF THAT. THANK YOU.

2 MS. PETERSON: SUZANNE PETERSON, THE
3 SCRIPPS RESEARCH INSTITUTE. I THINK THAT ONE OF THE
4 MOST IMPORTANT RESPONSIBILITIES THAT WE HAVE AS
5 REPRESENTATIVES OF CIRM IS TO EDUCATE THE PUBLIC
6 ABOUT WHAT STEM CELLS ARE AND WHAT THEIR POTENTIAL
7 IS. I THINK THAT FUTURE FUNDING FOR STEM CELL
8 RESEARCH IS GOING TO BE DEPENDENT ON THE PUBLIC
9 UNDERSTANDING STEM CELLS AND EMBRACING THEM
10 BASICALLY.

11 THESE SHARED FACILITIES ARE WHERE WE DO
12 ALL THIS PUBLIC EDUCATION. WE DO THIS THROUGH
13 THINGS LIKE LAB TOURS. WE SPEAK AT VARIOUS PUBLIC
14 EVENTS. AND I'M JUST WORRIED THAT IF WE DON'T
15 CONTINUE TO FUND THESE LABS, THAT THIS WHOLE PUBLIC
16 EDUCATION THAT WE STARTED IS GOING TO GO DOWNHILL
17 AND WE WON'T BE ABLE TO FUND FUTURE STEM CELL
18 INITIATIVES. THANK YOU.

19 DR. WARBURTON: I'M DAVID WARBURTON FROM
20 CHILDREN'S HOSPITAL LOS ANGELES, THE SABAN RESEARCH
21 INSTITUTE. AND, YES, I DO DIRECT THE SHARED
22 LABORATORY THERE, SO I'M VERY CONFLICTED.

23 I THINK MR. TORRES' QUESTION OF WHY IS THE
24 QUESTION, AND I'M GOING TO TELL YOU WHY NOT, WHY YOU
25 SHOULDN'T SHUT THESE THINGS DOWN. AT OUR

BARRISTERS' REPORTING SERVICE

1 INSTITUTION, THE SHARED LABORATORY, PEOPLE HAVE SAID
2 IT'S THE GLUE. I SAY IT'S THE DUCT TAPE IN OUR
3 PIPELINE. SO IT'S THE DUCT TAPE ON OUR STEM CELL
4 PIPELINE. WE HAVE PROBABLY A DOZEN STEM CELL AND
5 REGENERATIVE MEDICINE-RELATED APPLICATIONS THAT ARE
6 MOVING THROUGH THE PIPELINE. THREE OF THEM ARE
7 CLOSE TO IND, AND THIS FACILITY IS VERY CRITICAL IN
8 DOING THE QUALITY CONTROL TO MAKE SURE THAT THESE
9 THINGS WILL BE READY FOR GMP MANUFACTURE.

10 SO THIS IS AN EXTREMELY, EXTREMELY
11 IMPORTANT THING. IF WE DON'T HAVE THIS FACILITY,
12 CHILDREN'S EYE CANCER WON'T GET IPS CELLS, WE WON'T
13 BE ABLE TO PARTICIPATE IN THE IPS LIBRARY
14 ACTIVITIES, AND WE'RE GOING TO SEE A LOT OF OUR
15 PIPELINE GO DOWN THE TUBES.

16 SO WE THINK THIS IS A VERY CHEAP
17 INVESTMENT. \$17 MILLION SOUNDS LIKE A LOT OF MONEY,
18 BUT SPREAD OUT OVER 17 LABS OVER THREE YEARS, THIS
19 IS PEANUTS IN THE BIG PICTURE. AND WE'VE ALREADY
20 TALKED ABOUT THE MULTIPLIER EFFECT. SO WE URGE YOU
21 THROUGH THE DEMOCRATIC PROCESS, WE RESPECTFULLY URGE
22 YOU TO THINK TWICE. I THINK JOHN BELL AND ALL THE
23 REST OF THEM ARE GREAT PEOPLE, BUT I DON'T THINK
24 THEY UNDERSTOOD EXACTLY WHAT THESE LABS DO, AND I
25 THINK THEY GOT IT WRONG. SO PLEASE GET IT RIGHT.

BARRISTERS' REPORTING SERVICE

1 **THANK YOU.**

2 **CHAIRMAN THOMAS: OTHER COMMENTS BY**

3 **MEMBERS OF THE PUBLIC? FURTHER QUESTIONS?**

4 **DR. TROUNSON: JUST FOR THE BOARD, YOU**

5 **SHOULD NOTE THAT THE SCIENTIFIC ADVISORY BOARD HAD**

6 **THE OPPORTUNITY TO SPEAK TO DR. WEISSMAN, DR.**

7 **GOLDBERG, LARRY GOLDBERG, AND DR. OWEN WITTE, THREE**

8 **MAJOR MEMBERS OF THE STEM CELL COMMUNITY. AND THEY**

9 **ALSO HAD ALL OF THE MATERIALS THAT WE PROVIDED TO**

10 **THE SAB. THEY CERTAINLY HAD THE CHANCE TO PUT OVER**

11 **THEIR VIEWS ABOUT THESE THINGS TO THE SAB, AND IT**

12 **CERTAINLY WASN'T SOMETHING THAT WE RECOMMENDED TO**

13 **THE SAB. BUT I THINK THEY CONSIDERED THIS QUITE**

14 **CAREFULLY. AND THEY HAD THE OPPORTUNITY, THROUGH**

15 **THOSE REALLY SENIOR MEMBERS OF THE COMMUNITY, TO**

16 **PERHAPS PUT THE ARGUMENTS AT THE TIME TO THE SAB IF**

17 **THEY REALLY WISHED TO.**

18 **CHAIRMAN THOMAS: ALAN AND MICHAEL, HAVING**

19 **HEARD THE LITANY OF THE COMMENTS HERE, AND HAVING**

20 **SEEN THE WRITTEN SUBMISSIONS THAT FOLKS SENT TO US**

21 **ON THIS ISSUE, HOW WOULD YOU RESPOND TO SOME OF THE**

22 **POINTS THAT THEY MADE?**

23 **DR. TROUNSON: WELL, I'VE BEEN A**

24 **RESEARCHER. I UNDERSTAND HAVING THESE FACILITIES IS**

25 **REALLY TERRIFIC. I THINK STEVE REALLY SAID IT FOR**

BARRISTERS' REPORTING SERVICE

1 ME IN MANY WAYS, STEVE JUELSGAARD. SOMETIME WE'RE
2 GOING TO HAVE TO CUT OFF SOME OF THESE THINGS, AND
3 YOU REALLY NEED A STRATEGY FOR WHERE YOU GO WITH
4 THAT. I THINK THIS IS PROBABLY -- THIS IS THE ONE
5 THING THAT IS PROBABLY NOT AS IMPORTANT AS THE OTHER
6 THINGS THAT WE'VE BEEN TALKING ABOUT. AND YET, WE
7 WARNED THEM RIGHT UP FRONT THAT YOU REALLY NEEDED TO
8 HAVE A STRATEGY ABOUT DEALING WITH THIS EVEN AT THE
9 TIME COMING UP TO THE CONCLUSION OF IT.

10 I THINK YOU NEED TO TAKE RESPONSIBILITY
11 WHEN YOU'RE IN THESE INSTITUTIONS AND YOU'RE RUNNING
12 THESE LABS AND BE WARNED THAT THERE IS A FINITE SET
13 OF DOLLARS, AND YOU SHOULD DEVELOP A STRATEGY WHICH
14 SHOULD BE ABLE TO ACCOMMODATE THAT. NEVERTHELESS,
15 IF I WAS A PERSON IN THE LABS, I'D LOVE TO HAVE YOU
16 GUYS FUND ME CONTINUOUSLY. I CAN UNDERSTAND THAT
17 COMPLETELY, BUT I THINK WE ARE STRUGGLING WITH SOME
18 REQUIREMENT TO SHOEHORN OUR DOLLARS INTO WHERE WE'RE
19 GOING. AND I THINK WE HAVE TO TAKE SOME
20 RESPONSIBILITY THAT THE SAB LOOKED ACROSS THE WHOLE
21 SPACE AND SAID DON'T CUT THE TRAINING PROGRAM, DON'T
22 DO THIS, BUT THEY COULDN'T REALLY SEE A PROFOUND
23 ARGUMENT TO CONTINUING THAT. I THINK I AGREE WITH
24 IT.

25 I UNDERSTAND THE REASONS BEHIND THE PEOPLE

BARRISTERS' REPORTING SERVICE

1 HERE PRESENTING AND I COMPLETELY UNDERSTAND THAT,
2 BUT I THINK WE HAVE TO TAKE SOME RESPONSIBILITY. SO
3 FROM MY POINT OF VIEW IN MANAGEMENT, I THINK WE
4 SHOULD STICK WITH THE DECISION.

5 CHAIRMAN THOMAS: LIMITED NUMBER OF PEOPLE
6 CAN TALK PER MR. HARRISON.

7 MS. WINOKUR: I'M ONE OF THE LIMITED
8 NUMBER OF PEOPLE. AND I WAS NOT PRIVY TO THE
9 INFORMATION, ALAN, THAT YOU SHARED WITH THREE OF THE
10 MEMBERS WHO ARE NOT ON THE COMMITTEE. AND SO I
11 DON'T FEEL THAT I HAVE ENOUGH INFORMATION TO VOTE ON
12 THIS ISSUE. AND I WONDER IF WE COULD POSTPONE A
13 VOTE ON IT UNTIL AT LEAST I AM BETTER INFORMED OF
14 THE BACKGROUND OF IT.

15 DR. TROUNSON: IF THAT'S THE WISH OF THE
16 BOARD, OF COURSE. IT'S YOUR BOARD DECISION. I'M
17 NOT SURE WHETHER WE'LL GET, TO BE HONEST, GET
18 FURTHER, BUT WE CAN CERTAINLY HELP INDIVIDUAL
19 MEMBERS UNDERSTAND THIS PERHAPS BETTER.

20 MS. WINOKUR: IT'S NOT THAT I DON'T
21 UNDERSTAND IT. IT'S THAT I DON'T HAVE THE
22 INFORMATION THAT PEOPLE WHO DON'T HAVE TO VOTE ON IT
23 WERE PRIVY TO.

24 CHAIRMAN THOMAS: DIANE, WHEN YOU SAY THE
25 THREE OTHER MEMBERS, ARE YOU REFERRING TO LARRY AND

BARRISTERS' REPORTING SERVICE

1 OWEN AND IRV?

2 MS. WINOKUR: YEAH.

3 CHAIRMAN THOMAS: SO YOU WANT TO JUST
4 EXPLAIN A BIT MORE, ALAN, WHAT THEY DID.

5 DR. TROUNSON: THE SAB ASKED US IF THEY
6 COULD SPEAK TO A LIMITED NUMBER OF THE MOST SENIOR
7 PEOPLE IN STEM CELLS IN CALIFORNIA. SO I CONTACTED
8 THESE THREE PEOPLE AND INCLUDING FRED GAGE, BUT FRED
9 WAS OCCUPIED ON SOME OTHER ACTIVITY. SO THOSE THREE
10 SPENT AN HOUR BY THEMSELVES, NOT WITH US, TALKING TO
11 THE SAB ABOUT MATTERS THAT WE WERE RAISING WITH THEM
12 BECAUSE WE ASKED THE QUESTION IF YOU HAD 600
13 MILLION, HOW WOULD YOU FOCUS, WHAT WOULD YOU DO TO
14 ACTUALLY FOCUS THE OUTCOMES IN THE BEST WAY?

15 AND SO IT INCLUDED CLOSING DOWN DIFFERENT
16 PROGRAMS. THAT WAS CERTAINLY AN OPTION. SO I THINK
17 THAT PROBABLY -- I DON'T KNOW WHAT THEY SAID TO
18 THEM, BUT I PRESUME THAT THEY WERE VERY SUPPORTIVE
19 OF THINGS LIKE TRAINING PROGRAMS AND SO ON. BUT IT
20 DIDN'T COME THROUGH THAT THEY PERSUADED THEM THAT
21 THE SHARED LABS WAS CRITICAL.

22 SO NOW REMIND YOU THAT THE BOARD CONTAINS
23 AT LEAST FIVE ACADEMICS. OF THOSE EIGHT PEOPLE,
24 FIVE OF THEM ARE ACADEMIC. SO THEY, LIKE ME, WOULD
25 UNDERSTAND THIS SITUATION. I CLEARLY -- THEY WOULD

BARRISTERS' REPORTING SERVICE

1 CLEARLY UNDERSTAND. THEY THOUGHT THAT WE HAD MORE
2 IMPORTANT THINGS TO DO. THAT'S THE ONLY WAY I CAN
3 SORT OF CONCLUDE IT.

4 CHAIRMAN THOMAS: DIANE, WITH RESPECT TO
5 THAT CONVERSATION, WE'RE NOT GOING TO KNOW ANY MORE
6 THAN WHAT WE JUST HEARD. SO I DON'T THINK DELAYING
7 A VOTE TO TRY TO GET FURTHER CLARIFICATION THERE IS
8 GOING TO GET US MUCH, IF THAT'S OKAY. BUT IF YOU
9 STILL WOULD LIKE TO ENTERTAIN, I'D BE HAPPY TO
10 DISCUSS.

11 MICHAEL, I'VE GOT A QUESTION. WHEN THIS
12 WAS EXTENDED THE LAST TIME, HOW LONG DID THAT
13 EXTENSION LAST?

14 DR. YAFFE: THAT EXTENSION WAS A
15 THREE-YEAR EXTENSION. ACTUALLY SOME OF THE SHARED
16 LABS WILL STILL HAVE ANOTHER YEAR OF SUPPORT. I
17 THINK THE FIRST SHARED LABS BUDGETS WILL CONCLUDE
18 THIS SUMMER, BUT SOME OF THEM WILL HAVE ANOTHER
19 ENTIRE YEAR OF SUPPORT.

20 CHAIRMAN THOMAS: SO THE SHARED LABS HAVE
21 ANOTHER SIX TO TWELVE MONTHS. UNDER THIS
22 RECOMMENDATION, ARE YOU SAYING THAT WE SHOULD STOP
23 AS OF TODAY, OR IT JUST SHOULDN'T GO ON BEYOND?

24 DR. YAFFE: NO. BEYOND THE CURRENT
25 AWARDS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: OKAY. SO SIX TO TWELVE
2 MONTHS. OKAY.

3 SO ONE OF THE POINTS I WANT TO MAKE TO THE
4 FOLKS WHO ARE HERE IS, AS YOU'VE HEARD, WE'RE
5 LOOKING FOR ALTERNATIVE SOURCES OF FUNDING. AND
6 SHOULD THE BOARD VOTE TO FOLLOW THE SAB
7 RECOMMENDATION HERE AND SHOULD WE BE SUCCESSFUL AT
8 RAISING SOME, THIS IS NOT AT ALL TO PRECLUDE COMING
9 BACK FOR FUTURE CONSIDERATION.

10 DR. JUELSGAARD: I HAVE JUST A COUPLE OF
11 COMMENTS AND THEN A MOTION I WANT TO MAKE. SO WHILE
12 I APPRECIATE THE ELEGANT APPEALS THAT WERE MADE FROM
13 THE FLOOR, I MUST SAY THAT I WAS DISAPPOINTED THAT
14 AMONGST THE NINE OF YOU, I THINK I COUNTED NINE THAT
15 SPOKE, NO ONE ANSWERED THE QUESTION THAT I HAD
16 ASKED, WHICH WAS WHAT WERE YOUR PLANS WHEN THIS
17 MONEY ULTIMATELY RAN OUT, WHAT WERE YOU GOING TO DO
18 BECAUSE THIS IS JUST A TIMING ISSUE. THIS IS NOT --
19 WE'RE NOT GOING TO PROVIDE THIS FUNDING FOREVER NO
20 MATTER WHAT.

21 AND SO LET ME MAKE A COMPLEMENTARY COMMENT
22 TO THAT BECAUSE I THINK THIS IS JUST A GOOD RULE IN
23 MOST BUSINESS OR BUSINESSLIKE ORGANIZATIONS. AND
24 THAT IS THAT YOU NEED TO HAVE AN ALTERNATIVE PLAN IF
25 A SOURCE OF FUNDING GOES AWAY. SO BEING INVOLVED

BARRISTERS' REPORTING SERVICE

1 WITH OTHER NONPROFIT BOARDS THAT ARE DEPENDENT UPON
2 EITHER, IN THIS CASE NOT GOVERNMENT FUNDING, BUT
3 PRIVATE INDIVIDUAL FUNDING OR GOVERNMENT GRANTS FOR
4 PROJECTS, ONE OF THE RISKS YOU ALWAYS RUN IS THE
5 REVENUES AREN'T GOING TO BE THERE THAT YOU MIGHT
6 ANTICIPATE IN THE COMING YEAR. AND SO YOU NEED TO
7 HAVE A PLAN TO DEAL WITH THE SLACK IN REVENUE. AND
8 I'M NOT ASKING WHETHER YOU HAVE THOSE PLANS OR NOT,
9 BUT IT'S CLEAR TO ME AT LEAST THAT THAT'S A GOOD
10 BUSINESS PRACTICE, WHETHER YOU'RE IN A FOR-PROFIT
11 BUSINESS OR A NONPROFIT BUSINESS.

12 SO WITH THAT, I'M GOING TO MAKE A MOTION
13 THAT WE, AND THIS IS CONSISTENT WITH BOTH THE SAB
14 AND THE RECOMMENDATIONS THE STAFF IS MAKING, THAT WE
15 PROVIDE NO FURTHER FUNDING OF THE SHARED LABS BEYOND
16 THAT THAT WE'VE COMMITTED TO.

17 CHAIRMAN THOMAS: MOTION ON THE FLOOR. DO
18 WE HEAR A SECOND?

19 MR. GOLDBERG: SECOND.

20 CHAIRMAN THOMAS: SECONDED BY MR.
21 GOLDBERG. FURTHER DISCUSSION BY ELIGIBLE MEMBERS OF
22 THE BOARD?

23 MR. TORRES: YOU MENTIONED IN YOUR
24 TESTIMONY -- NOT TESTIMONY, IN YOUR REMARKS, YOU
25 SAID IN YOUR STATEMENT THAT THERE WAS OTHER FUNDS

BARRISTERS' REPORTING SERVICE

1 AVAILABLE. HAVE THERE BEEN EFFORTS BY CIRM STAFF TO
2 POINT THE SHARED LAB FOLKS IN THAT DIRECTION?

3 DR. YAFFE: NOT BEYOND GENERAL STATEMENTS,
4 THAT WE ENCOURAGE EXPLORATION OF MORE RECHARGE,
5 INCREASING RECHARGE TO USERS SO THAT WE BELIEVE THAT
6 THOSE SHARED LABS COULD HAVE A LOT OF USE BY
7 GRANTEES, BE THEY OUR GRANTEES OR NIH GRANTEES,
8 SHOULD BE ABLE TO RECHARGE THEIR GRANTS FOR THE USE
9 AND THEN INSTITUTIONAL FUNDS. WE THINK THAT, AND
10 MAYBE I SHOULD SAY I THINK, INSTITUTIONS RECEIVING
11 SIGNIFICANT GRANT SUPPORT FROM CIRM SHOULD BE
12 WILLING TO PAY FOR CORE RESOURCES. THE INSTITUTIONS
13 DO PROVIDE CORE RESOURCES BY ONE MECHANISM OR
14 ANOTHER FOR, FOR EXAMPLE, MOUSE FACILITIES OR
15 MICROSCOPY FACILITIES. THESE FACILITIES ARE NOT
16 SUPPORTED BY CIRM. CIRM RESEARCHERS OFTEN USE THOSE
17 FACILITIES FOR VARIOUS TYPES OF PROJECTS.
18 INSTITUTIONS MAY NEED TO STEP UP AND FIND FUNDS.

19 I'M VERY SYMPATHETIC TO WHAT THE LEADERS
20 OF THE LABS SAID. AFTER MY TIME AT UCSD, FROM MY
21 TIME AT UCSD, I KNOW THE CHALLENGE OF MAINTAINING
22 CORE FACILITIES AND FINDING FUNDS FOR THOSE. BUT I
23 THINK OUR POSITION REFLECTS THAT OF MR. JUELGAARD,
24 THAT WE CAN'T CONTINUE TO FUND INDEFINITELY, AND
25 THERE IS A LIMIT TO CIRM MONEY.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: WE DO OUTREACH TO COMPANIES
2 TO HELP THEM WRITE GRANTS, TO HELP THEM IN THE
3 PROCESS. WHY CAN'T WE DO THE SAME WITH THESE SHARED
4 LABS TO HELP THEM FIND THE FUNDING?

5 DR. YAFFE: I THINK THAT'S A POSSIBILITY.

6 CHAIRMAN THOMAS: OTHER COMMENTS FROM
7 MEMBERS OF THE BOARD? MR. HARRISON, CAN WE GO BACK
8 FOR FURTHER COMMENT FROM MEMBERS OF THE PUBLIC AT
9 THIS POINT?

10 MR. HARRISON: AT YOUR DISCRETION.

11 CHAIRMAN THOMAS: SINCE THEY'RE ALL LINED
12 UP.

13 DR. LORING: THIS IS JEANNE LORING AGAIN.
14 STEVE, I WANT TO ADDRESS YOUR ISSUE DIRECTLY. SO AS
15 I THINK SOME OF THE PEOPLE POINTED OUT, THESE LABS
16 ARE STILL IN USE DURING THE DISEASE TEAM PHASE,
17 DURING THE TRANSLATIONAL PHASE, AND THAT IN SOME
18 CASES ALMOST ALL THE DISEASE TEAM WORK IS ACTUALLY
19 DONE IN THOSE LABS BECAUSE THEY HAVE THE EQUIPMENT.
20 SO WE DON'T WANT TO HAVE THE DISEASE TEAMS HAVE TO
21 REESTABLISH THESE LABS IN EACH CASE.

22 NOW, THE QUESTION IS HOW LONG WILL THEY
23 LAST? WE EXPECT THEY SHOULD LAST AS LONG AS THE
24 CIRM FUNDING LASTS BECAUSE THEY'RE ESSENTIAL FOR THE
25 SUPPORT OF CIRM PROGRAMS. IF YOU HAD AN EXIT

BARRISTERS' REPORTING SERVICE

1 STRATEGY IF YOU WERE A BIOTECH COMPANY, YOU'D WANT
2 TO DO AN IPO OR YOU'D WANT TO BE ACQUIRED BY ANOTHER
3 COMPANY. I DON'T THINK THE FIRST THING YOU WOULD DO
4 WOULD BE TO CLOSE DOWN YOUR PLANT AND THEN EXPECT
5 PEOPLE TO INVEST IN YOU. SO I THINK WE HAVE TO KEEP
6 THIS GOING SIMPLY BECAUSE OF WHAT IT HAS EVOLVED
7 INTO, WHICH IS SUPPORT FOR WHATEVER IS GOING ON AT
8 CIRM AT THE EDGE, THE CUTTING-EDGE, AT ANY GIVEN
9 TIME.

10 DR. WARBURTON: DR. WARBURTON, CHILDREN'S
11 HOSPITAL LOS ANGELES. I JUST WANTED TO CORRECT MR.
12 JUELSGAARD'S IMPRESSION THAT WE DON'T CARE ABOUT
13 BUSINESS ISSUES. I HAVE A DEGREE IN BUSINESS FROM
14 THE MARSHAL SCHOOL OF BUSINESS USC. I RUN A \$10
15 MILLION BUSINESS WITH A HUNDRED EMPLOYEES. IT'S
16 CALLED THE REGENERATIVE MEDICINE PROGRAM AT
17 CHILDREN'S HOSPITAL. AND, OF COURSE, WE HAVE
18 THOUGHT ABOUT WHAT WE WOULD DO IF YOU DECIDE TO
19 CANCEL THIS FUNDING.

20 AND I CAN TELL YOU THAT THERE WILL BE NO
21 HELP FROM INDIRECT COSTS ON OTHER GRANTS. THERE
22 WILL BE NO HELP FROM THE ADMINISTRATION OF THE
23 INSTITUTION. AND I WILL BE LAYING PEOPLE OFF, AND
24 THIS ACTIVITY WILL NOT CONTINUE.

25 DR. SNYDER: THIS IS EVAN SNYDER FROM THE

BARRISTERS' REPORTING SERVICE

1 SANFORD-BURNHAM. LIKE DAVID, WE OBVIOUSLY HAVE
2 THOUGHT VERY CAREFULLY ABOUT WHAT WOULD HAPPEN
3 WITHOUT ANY KIND OF CIRM FUNDING. AND WE WOULD
4 REVERT TO BECOMING A STANDARD CORE FACILITY. SO THE
5 VIVARIUM WAS USED AS AN EXAMPLE. PEOPLE IN THE
6 VIVARIUM DON'T GO OUT AND GIVE LECTURES. THEY DON'T
7 DO CONSULTATION WITH THE INVESTIGATORS. THEY DON'T
8 WORK OUT PROTOCOLS. THEY MAKE THE MICE AND CLEAN
9 THE CAGES. SO WHAT WE WOULD DO IS CUT BACK AND ONLY
10 DO THINGS FOR WHICH WE CAN CHARGE. FIRST, WE'D HAVE
11 TO LAY OFF A LOT OF PERSONNEL, SO THERE WOULD BE NO
12 CONSULTATION. WE WOULD NOT BE ABLE TO SERVICE
13 ANYBODY WHO DOES NOT HAVE GRANT SUPPORT. SO WE
14 COULD NOT HELP THEM GENERATE PRELIMINARY DATA TO GET
15 GRANT SUPPORT.

16 AND BASICALLY WE WOULD BECOME YOUR
17 STANDARD CORE BASICALLY WITHOUT A MISSION, BUT JUST
18 MAKE SURE THAT WE ARE REVENUE NEUTRAL.

19 CHAIRMAN THOMAS: ALAN, CAN YOU JUST
20 ADDRESS THE POINT THAT THERE WAS AN UNDEFINED NUMBER
21 OF DISEASE TEAMS CARRYING OUT THEIR MISSION IN
22 SHARED LABS AND WHAT THE RAMIFICATIONS WOULD BE?

23 DR. TROUNSON: I THINK ALL THE
24 INSTITUTIONS WOULD UTILIZE WHATEVER FACILITIES THEY
25 HAVE AVAILABLE. AND SO IF THOSE FACILITIES ARE

BARRISTERS' REPORTING SERVICE

1 AVAILABLE TO THE DISEASE TEAMS, OF COURSE, THEY'D
2 USE THEM. I THINK MORE AND MORE THE DISEASE TEAMS
3 ARE GOING TO BE MOVING OFF INTO OTHER PLACES BECAUSE
4 THEY'RE GOING TO HAVE TO GET INTO THESE CLINICAL
5 TRIALS, AND THAT'S REALLY GOING TO REQUIRE THEM TO
6 DO THINGS RATHER DIFFERENTLY THAN THEY'RE CURRENTLY
7 DOING THEM. BUT MAYBE THE TRANSLATIONAL STUDIES
8 WILL STILL WANT TO USE THOSE KIND OF FACILITIES.

9 SO IF THEY'RE THERE, YOU'D USE THEM.
10 THAT'S ABSOLUTELY RIGHT. BUT THE INSTITUTIONS NEED
11 TO REFLECT ON THIS BECAUSE IF IT'S IMPORTANT, THEN
12 THEY HAVE THE OPPORTUNITY FOR MAINTAINING THESE
13 FACILITIES, THESE LABORATORIES. AND SO THE ARGUMENT
14 THAT THAT IS CRUCIAL TO A DISEASE TEAM SEEMS TO ME
15 RATHER A LONG BOW FOR THAT PURPOSE. BUT, OF COURSE,
16 IF THEY'RE THERE, THEY WOULD BE UTILIZED FOR
17 WHATEVER PURPOSES. AND THAT'S GREAT IF THEY'RE
18 THERE. BUT I STILL DON'T SEE THAT IT REALLY MAKES
19 UP FOR WHAT WE NEED TO DO, AND I'M NOT PERSUADED
20 THAT THIS IS THE BEST -- IN THE BEST INTEREST OF THE
21 AGENCY TO CONTINUE TO FUND THAT RATHER THAN PUT THE
22 MONEY SOMEWHERE ELSE SO ACCELERATE WHAT WE NEED TO
23 DO.

24 I THINK IT BECOMES A MATTER OF CHOICE.
25 AND IF WE DECIDED TO CLOSE ONE OF THE OTHER

BARRISTERS' REPORTING SERVICE

1 ACTIVITIES, I'M SURE WE'D HEAR ABOUT THAT AS WELL,
2 BUT THE SAB DIDN'T RECOMMEND ANY OF THAT. THEY SAW
3 THAT THE TRAINING PROGRAMS AND SO ON, BASIC SCIENCE,
4 WAS IMPORTANT. SO I THINK IT'S REFLECTIVE OF WE
5 ASKED THE SCIENTIFIC ADVISORY BOARD, WE GOT THE
6 ADVICE, I THINK IT WAS A FAIR CASE. THIS WAS THE
7 ONE THING -- THIS REALLY WAS THE ONE THING THEY SAID
8 WAS A LUXURY ESSENTIALLY. THAT'S WHAT THEY'RE
9 SAYING.

10 CHAIRMAN THOMAS: OKAY. ANY FURTHER
11 DISCUSSION? OKAY. MARIA, COULD YOU CALL THE ROLL?
12 JAMES, COULD YOU JUST RESTATE THE MOTION FIRST?

13 MR. HARRISON: THE MOTION IS TO PROVIDE NO
14 FURTHER FUNDING FOR SHARED LABS BEYOND WHAT CIRM HAS
15 ALREADY COMMITTED.

16 MS. BONNEVILLE: MICHAEL GOLDBERG.

17 MR. GOLDBERG: YES.

18 MS. BONNEVILLE: STEPHEN JUELSGAARD.

19 DR. JUELSGAARD: YES.

20 MS. BONNEVILLE: ROBERT QUINT.

21 DR. QUINT: YES.

22 MS. BONNEVILLE: JOAN SAMUELSON. JON
23 THOMAS.

24 CHAIRMAN THOMAS: YES.

25 MS. BONNEVILLE: ART TORRES.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: ABSTAIN.

2 MS. BONNEVILLE: DIANE WINOKUR.

3 MS. WINOKUR: ABSTAIN.

4 CHAIRMAN THOMAS: MOTION CARRIES. THANK

5 YOU, EVERYBODY, FOR YOUR INPUT. WE APPRECIATED IT,

6 AND WE'LL CONTINUE TO DO WHAT WE CAN TO SOURCE

7 ALTERNATIVE SOURCES OF FUNDING.

8 OKAY. MICHAEL, ON TO TRAINING.

9 DR. YAFFE: SO I'M GOING TO PRESENT AN
10 OVERVIEW OF ALL THREE OF OUR KEY TRAINING PROGRAMS.
11 FIRST IS THE TRAINING GRANTS, CIRM'S OLDEST FUNDING
12 PROGRAM. THIS PROGRAM HAS AS ITS GOALS TO SUPPORT
13 TRAINING AND DEVELOPMENT OF GRADUATE AND
14 POSTGRADUATE LEVEL STEM CELL SCIENTISTS IN
15 CALIFORNIA AND TO EXPAND STEM CELL RESEARCH BY
16 CREATING A CADRE OF YOUNG SCIENTISTS WITH
17 APPROPRIATE KNOWLEDGE AND SKILLS.

18 THE TRAINING GRANT PROGRAM FEATURES
19 MENTORED LABORATORY RESEARCH, COURSES, SEMINARS, AND
20 OTHER EDUCATIONAL ACTIVITIES, AND SUPPORT OF
21 GRADUATE STUDENTS, DOCTORAL STUDENTS, THAT IS,
22 POSTDOCTORAL FELLOWS, AND CLINICAL FELLOWS.

23 WE SUPPORT 17 PROGRAMS WHICH CURRENTLY
24 HAVE 149 TRAINEES, OR AS WE CALL THEM CIRM SCHOLARS.
25 SEVEN HUNDRED FORTY-TWO CIRM SCHOLARS HAVE GONE

BARRISTERS' REPORTING SERVICE

1 THROUGH THE PROGRAM TO DATE. THE CIRM SCHOLARS ARE
2 ENGAGED IN RESEARCH PROJECTS. THESE PROJECTS ARE
3 ACROSS THE SPECTRUM OF THE CIRM PORTFOLIO, ALTHOUGH
4 THE MAJORITY ARE IN BASIC RESEARCH AND MANY INVOLVE
5 MODEL SYSTEMS.

6 CIRM SCHOLARS HAVE WORKED IN OVER 439 LABS
7 IN CALIFORNIA AND HAVE AUTHORED MORE THAN 775
8 PUBLICATIONS. A MAJOR FRACTION OF THESE
9 PUBLICATIONS ARE IN THE HIGHEST PROFILE JOURNALS.

10 THESE PROGRAMS PROVIDE A FOCI FOR THE
11 LOCAL RESEARCH COMMUNITIES, AND WE FEEL ARE A VERY
12 STRONG COMPONENT OF CIRM'S FOOTPRINT AND MISSION
13 THROUGHOUT CALIFORNIA.

14 TOTAL PROGRAM BUDGET IN TERMS OF FUNDS
15 COMMITTED HAS BEEN 130.9 MILLION. THIS INCLUDES
16 TRAINING I APPROVED IN 2005 FOR 38.9 MILLION,
17 TRAINING II APPROVED IN 2009 FOR 45.2 MILLION, AND
18 THEN A THREE-YEAR EXTENSION APPROVED IN 2011 OF
19 \$46.8 MILLION.

20 OUR NEXT TRAINING PROGRAM IS BRIDGES TO
21 STEM CELL RESEARCH, A PROGRAM DESIGNED TO EXPAND
22 CALIFORNIA'S WORKFORCE IN STEM CELL SCIENCE AND
23 REGENERATIVE MEDICINE, AND TO PROVIDE RESEARCH AND
24 TRAINING OPPORTUNITIES FOR UNDERGRADUATES AND
25 MASTER'S LEVEL STUDENTS REPRESENTING THE DIVERSITY

BARRISTERS' REPORTING SERVICE

1 OF CALIFORNIA'S POPULATION. AND IN PARTICULAR, TO
2 AFFORD OPPORTUNITIES TO STUDENTS WHO WOULDN'T
3 NORMALLY BE EXPOSED TO CUTTING-EDGE STEM CELL
4 RESEARCH.

5 THIS PROGRAM FEATURES STUDENT RESEARCH
6 INTERNSHIPS IN STEM CELL LABS. THE STEM CELL LABS
7 ARE LOCATED IN RESEARCH INTENSIVE UNIVERSITIES AND
8 ALSO IN BIOTECH COMPANIES AND IN RESEARCH
9 INSTITUTES. THE INTERNSHIPS ARE FROM SIX TO TWELVE
10 MONTHS. THERE'S ALSO A REQUIREMENT FOR A STEM CELL
11 TECHNIQUES LABORATORY COURSE AND INTEGRATION OF
12 THEIR INTERNSHIPS AND OTHER ACTIVITIES WITH AN
13 UNDERGRADUATE OR MASTER'S DEGREE PROGRAM AT THE HOME
14 INSTITUTION. AND THIS PROGRAM FEATURES AN ANNUAL
15 BRIDGES TRAINEE MEETING IN THE SUMMER. SOME OF YOU
16 HAVE ATTENDED. THIS IS REALLY A SPECTACULAR EVENT
17 IN WHICH THE TRAINEES COME TOGETHER TO HEAR
18 SCIENTIFIC TALKS FROM RESEARCH LEADERS AND ALSO
19 PRESENT THEIR RESEARCH IN THE FORM OF POSTER
20 PRESENTATIONS.

21 CURRENTLY WE SUPPORT 16 PROGRAMS, 13 AT
22 STATE UNIVERSITIES AND THREE AT COMMUNITY COLLEGES,
23 FROM HUMBOLDT IN THE NORTH TO SAN DIEGO IN THE
24 SOUTH. THERE ARE 144 CURRENT INTERNS, 635 TRAINEES
25 HAVE BEEN THROUGH THE PROGRAM TO DATE. TRAINEES

BARRISTERS' REPORTING SERVICE

1 HAVE WORKED IN MORE THAN 300 LABS AT 46 DIFFERENT
2 INSTITUTIONS AND COMPANIES.

3 MOST TRAINEES, BASED ON SURVEYS THAT WE'VE
4 DONE OF PROGRAM DIRECTORS, MOST TRAINEES EITHER GET
5 JOBS IN STEM CELL LABS, OFTEN IN THE SAME LABS WHERE
6 THEY SERVED THEIR INTERNSHIPS, OR THEY ENTER
7 GRADUATE OR PROFESSIONAL SCHOOL.

8 PROGRAM BUDGET, TOTAL FUNDS COMMITTED TO
9 DATE HAVE BEEN 50.6 MILLION. THIS INCLUDES THE
10 INITIAL PROGRAM APPROVED IN 2009 OF 24 MILLION AND A
11 THREE-YEAR EXTENSION APPROVED IN 2011 OF 26.6
12 MILLION.

13 AND OUR YOUNGEST PROGRAM IS THE CIRM
14 CREATIVITY AWARDS, YOUNGEST NOT ONLY WHEN THE
15 PROGRAM STARTED, BUT IN THE AGE OF THE PARTICIPANTS.
16 THIS IS A SUMMER INTERNSHIP PROGRAM FOR HIGH SCHOOL
17 STUDENTS, MOSTLY JUNIORS AND SENIORS. STUDENTS
18 PARTICIPATE IN DIRECTED RESEARCH AND OTHER
19 EDUCATIONAL ACTIVITIES. THERE ARE NINE PROGRAMS AT
20 RESEARCH UNIVERSITIES AND INSTITUTES THROUGH THE
21 STATE. THE PROGRAM INVOLVES ABOUT 70 STUDENTS PER
22 YEAR DURING THE SUMMER MONTHS. ONE HUNDRED
23 THIRTY-TWO STUDENTS HAVE PARTICIPATED TO DATE.

24 A KEY FEATURE OF THIS PROGRAM IS A
25 CREATIVITY POSTER DAY IN WHICH THE INTERNS COME

BARRISTERS' REPORTING SERVICE

1 TOGETHER, PRESENT POSTERS OF THEIR WORK, AND SHARE
2 SOME OF THEIR EXPERIENCES. AND I THINK ANY OF YOU
3 WHO HAVE HAD THE OPPORTUNITY TO ATTEND THAT OR SEE
4 SOME OF THE MATERIALS THAT WE'VE PUT UP ON THE
5 WEBSITE FROM OUR CREATIVITY PROGRAM ARE INCREDIBLY
6 IMPRESSED BY THE LEVEL OF ENTHUSIASM AND EXCITEMENT
7 THAT THESE STUDENTS DISPLAY.

8 PROGRAM FUNDING HAS BEEN 1.7 MILLION THAT
9 WAS APPROVED IN 2012, A THREE-YEAR PROGRAM.

10 THE SAB RECOMMENDATION WAS TO CONTINUE
11 SUPPORT FOR ALL OF THESE TRAINING PROGRAMS. STAFF
12 AGREES WITH THIS RECOMMENDATION AND PROPOSES A
13 THREE-YEAR EXTENSION OF TRAINING GRANTS, BRIDGES,
14 AND THE CREATIVITY AWARDS.

15 HERE YOU CAN SEE A BREAKDOWN OF THE
16 PROPOSED FUTURE FUNDING. I NOTE IF YOU ACT ON THIS
17 TODAY, THIS WOULD NOT PRECLUDE OR TAKE THE PLACE OF
18 A DEFINITIVE APPROVAL THAT WE WILL ASK YOU FOR EACH
19 OF THESE PROGRAMS IN THE FUTURE.

20 TRAINING WOULD BE A THREE-YEAR EXTENSION
21 FOR 45 MILLION, BRIDGES 26.6 MILLION, CREATIVITY 1.7
22 MILLION, A TOTAL OF \$73.3 MILLION.

23 CHAIRMAN THOMAS: OKAY. MR. HARRISON,
24 WHO'S CONSTRAINED ON THIS ONE?

25 MR. HARRISON: SO WE HAVE TWO DIFFERENT

BARRISTERS' REPORTING SERVICE

1 GROUPS WHO ARE ELIGIBLE TO PARTICIPATE. WITH
2 RESPECT TO THE DISCUSSION OF TRAINING AND BRIDGES,
3 IT'S THE SAME GROUP WHO WAS ELIGIBLE FOR SHARED
4 LABS: MEMBERS JUELSGAARD, QUINT, SAMUELSON, THOMAS,
5 TORRES, WINOKUR, AND GOLDBERG. AND WITH RESPECT TO
6 CREATIVITY AWARDS, IT'S MEMBERS BRENNER, BRYANT,
7 JUELSGAARD, QUINT, SAMUELSON, STEWARD, THOMAS,
8 TORRES, WARE, WINOKUR, AND GOLDBERG.

9 DR. JUELSGAARD: SO ANTICIPATING THAT THIS
10 MIGHT HAVE BEEN THE OUTCOME, PARTICULARLY WITH
11 RESPECT TO DISCUSSING THE TRAINING GRANTS AND THE
12 BRIDGES GRANTS, PARTICULARLY LESS SO THE CREATIVITY
13 AWARDS, WELL, I UNDERSTAND IT'S OUR PROCESS THAT A
14 LARGE NUMBER OF THE GROUPS HERE CAN'T PARTICIPATE IN
15 THE DISCUSSION AROUND THESE PROGRAMS. BECAUSE OF
16 THE WAY THAT THE PROPOSAL HAS BEEN FRAMED, I THINK
17 THAT'S SOMETHING THAT I WOULD LIKE TO SEE IF WE CAN
18 CHANGE SO THAT WE CAN HAVE A BROADER DISCUSSION AT
19 THIS POINT.

20 SO IN TALKING THIS OVER WITH MR. HARRISON,
21 WHAT I UNDERSTAND IS IF WE WERE TO PROCEED INTO THE
22 FUTURE WITH THESE AS RFP'S, SO ADDITIONAL FUNDING,
23 BUT INSTEAD OF DOING CONTINUATIONS, WE DO THEM AS
24 BRAND-NEW PROGRAMS GOING FORWARD, THAT WOULD ALLOW
25 THE BROADER PARTICIPATION OF THOSE OF YOU WHO

BARRISTERS' REPORTING SERVICE

1 OTHERWISE CAN'T PARTICIPATE. SO THAT'S A PROPOSAL
2 THAT I WOULD LIKE TO MAKE.

3 NOW, I ASSUME, JAMES, THAT THE PEOPLE THAT
4 I'M TALKING ABOUT CAN'T PARTICIPATE IN THAT VOTE.
5 CAN THEY PARTICIPATE IN THAT DISCUSSION?

6 MR. HARRISON: WELL, AS LONG AS THAT VOTE
7 DOESN'T PRESUPPOSE ANY COMMITMENT OF FUNDS, BUT
8 RATHER MERELY ADDRESSES THE METHOD BY WHICH
9 POTENTIAL FUNDING COULD OCCUR, THAT IS, THE
10 MECHANISM, THEN THAT DOESN'T PRESENT A CONFLICT EVEN
11 FOR THOSE MEMBERS WHO COULDN'T VOTE EITHER ON THE
12 EXTENSION ITSELF OR THE COMMITMENT OF FUNDS.

13 DR. JUELSGAARD: THAT'S MY INTENTION IS
14 THAT A REAL DECISION ABOUT THE FUNDING WOULD TAKE
15 PLACE IN THE CONTEXT OF AN RFP AS OPPOSED TO NOW,
16 BUT WOULD ALLOW FOR A BROADER DISCUSSION AT THIS
17 POINT OF THESE TWO PROGRAMS IN PARTICULAR AND THE
18 VALUE THAT THEY DO OR DON'T HAVE, HOW PEOPLE THINK
19 ABOUT THEM, SEE THEM, ETC. I'M CURIOUS AS TO THAT.
20 SO, ANYWAY, IT'S OKAY IF OTHER PEOPLE AT THIS POINT
21 WHO OTHERWISE WOULDN'T BE ABLE TO CHIME IN ARE ABLE
22 TO DO THAT EVEN THOUGH WE DON'T HAVE A MOTION OR
23 ANYTHING TO THAT EFFECT.

24 MR. HARRISON: IT WOULD PROBABLY BE
25 CLEANER FOR THERE TO BE A MOTION ON THE TABLE SO THE

BARRISTERS' REPORTING SERVICE

1 DISCUSSION IS LIMITED TO THE QUESTION OF THE
2 MECHANISM.

3 MR. TORRES: SECOND THAT MOTION.

4 DR. JUELSGAARD: I HAVEN'T MADE THE MOTION
5 YET, BUT I MOVE THAT WE CHANGE THE NOTION OF WHAT
6 WE'RE GOING TO APPROVE AWAY FROM CONTINUED SUPPORT
7 AND IN THE FAVOR OF GOING FORWARD WITH NEW RFP'S FOR
8 THESE TWO PROGRAMS. SO THAT'S MY MOTION.

9 MR. TORRES: I'LL SECOND IT.

10 DR. JUELSGAARD: WHO VOTES ON THIS? WE
11 CAN HAVE THE DISCUSSION, RIGHT, JAMES?

12 CHAIRMAN THOMAS: WHO HAS THE DISCUSSION
13 ON THIS, EVERYBODY? IT'S BEEN MOVED AND SECONDED.

14 DR. SAMBRANO: SO I DON'T WANT TO LIMIT IN
15 ANY WAY THE BOARD'S ABILITY TO DISCUSS THIS, AND I
16 APPRECIATE THAT THIS WOULD OPEN IT UP FURTHER. I
17 THINK ONE OF THE THINGS I WANT TO HIGHLIGHT IN
18 BASICALLY CREATING WHAT WOULD BE A NEW RFA IS THAT
19 WE WOULD HAVE TO ENGAGE IN A COMPLETELY NEW REVIEW
20 OF PROPOSALS THAT REALLY ARE UNCHANGED. SO WHAT
21 WOULD BE BROUGHT BACK TO US WOULD BE ESSENTIALLY
22 WHAT THEY ARE ALREADY DOING. AND SO IT WOULD PUT
23 PERHAPS IN JEOPARDY SOME OF THE PROGRAMS THAT HAVE
24 BEEN SUCCESSFUL FOR NOT MUCH REASON, I BELIEVE,
25 OTHER THAN TO REALLY OPEN IT UP.

BARRISTERS' REPORTING SERVICE

1 DR. JUELSGAARD: FINE.

2 DR. OLSON: JUST ONE OTHER POINT. THE
3 TRAINING PROGRAMS AND THE BRIDGES PROGRAM WILL BOTH
4 EXPIRE ROUGHLY, NOT THIS YEAR, BUT THE NEXT YEAR.
5 SO THAT MEANS WE WOULD HAVE TO PUT OUT TWO NEW RFA'S
6 AND DO TWO NEW REVIEWS NEXT YEAR IN ORDER TO HAVE A,
7 IF YOU LIKE, SEAMLESS TRANSITION. NEXT YEAR IS
8 REALLY QUITE BUSY WITH RFA'S EVEN PARTICULARLY GIVEN
9 WHAT WE'VE TALKED ABOUT ALREADY. SO I JUST PUT THAT
10 OUT FOR YOUR CONSIDERATION.

11 DR. JUELSGAARD: JUST SO I'M CLEAR,
12 BECAUSE ON THE LAST SLIDE WHICH IS UP THERE NOW,
13 ABSENT THE CREATIVITY AWARDS, JUST PUT THEM TO ONE
14 SIDE BECAUSE I'M FOCUSED ON THE OTHER TWO, IF YOU
15 SUBTRACT 1.7 FROM 73.3, YOU COME UP WITH 71.6. SO
16 THERE'S STILL \$71.6 MILLION TO BE SPENT; IS THAT
17 RIGHT?

18 DR. YAFFE: YES.

19 DR. JUELSGAARD: OR AM I MISUNDERSTANDING
20 THE SLIDE?

21 DR. OLSON: I'M SORRY. I'M SAYING THAT IN
22 THE PROPOSAL THAT I PUT FORTH AT THE START OF THIS
23 MEETING TO ESSENTIALLY GO ALONG WITH THE
24 RECOMMENDATIONS OF THE SAB BOARD AND MANAGEMENT,
25 THAT WE WOULD PROPOSE AN EXTENSION OF THE TRAINING

BARRISTERS' REPORTING SERVICE

1 AND BRIDGES PROGRAMS FOR A TOTAL OF, AS YOU NOTE,
2 71.6 MILLION.

3 DR. JUELSGAARD: SO I'M RIGHT. IT WAS
4 71.6 THAT THIS DISCUSSION IS ABOUT, WHICH IS NOT AN
5 INSUBSTANTIAL SUM OF MONEY.

6 DR. OLSON: THAT IS CORRECT.

7 DR. JUELSGAARD: TO KIND OF COME BACK --
8 WELL, I'D LOVE TO HEAR WHAT OTHER PEOPLE THINK. I
9 HAVE A PARTICULAR REASON WHY, BEYOND HAVING THIS
10 BROADER DISCUSSION, WHY I THINK RFA'S OR RFP'S OR
11 WHATEVER THE HECK THEY ARE ARE APPROPRIATE AT THIS
12 POINT, BUT I'LL DEFER TALKING ABOUT THEM JUST TO
13 HEAR WHAT OTHER PEOPLE HAVE TO SAY.

14 DR. HAWGOOD: STEVE, CAN YOU -- JAMES, I
15 ASSUME YOU WILL TELL ME -- BUT COULD YOU CLARIFY
16 WHAT YOU'RE WANTING US TO DISCUSS? IS IT THE
17 MECHANIC, MEANING NEW PROPOSALS FROM EVERYONE,
18 VERSUS CONTINUATIONS OF THOSE THAT HAVE THEM, OR ARE
19 YOU WANTING A DISCUSSION ON THE VALUE OF THESE
20 PROGRAMS RELATIVE TO PUTTING THE MONEY ASIDE INTO A
21 STRATEGIC RESERVE OR SOME OTHER MEANS?

22 DR. JUELSGAARD: WELL, I THINK IT'S THE
23 VALUE OF THE PROGRAMS AT BASE, SAM. SO HERE'S ONE
24 OF THE CONCERNS THAT I HAVE. AGAIN, THIS IS A
25 PERSPECTIVE THAT I COME FROM WHICH IS A CONSTANT

BARRISTERS' REPORTING SERVICE

1 EVALUATION OF THE THINGS THAT YOU FUND TO MAKE SURE
2 THAT THEY'RE SERVING THE PURPOSE THAT YOU SERVE.
3 AND YOU BUILD METRICS AROUND THAT AND THEN YOU
4 MEASURE PERIODICALLY, LET'S SAY IN THIS CASE EVERY
5 YEAR, HOW WELL THINGS ARE DOING VIS-A-VIS WHAT YOU
6 HOPE THEY WOULD DO, ETC.

7 AND I'M STRUGGLING FOR WHAT KIND OF
8 METRICS WE HAVE AROUND THESE PROGRAMS, HOW WE THINK
9 ABOUT THEM, HOW WE KNOW THAT WE'RE GETTING VALUE FOR
10 THE MONEY THAT WE INVEST. AND THAT'S ONE OF THE
11 THINGS THAT I'D LIKE TO REALLY TRY AND GET OUT OF
12 SPENDING ANOTHER -- NOT GET OUT, BUT GET FROM
13 SPENDING ANOTHER \$71.3 MILLION. SO HOW DO WE KNOW
14 THAT THAT'S PROVIDING APPROPRIATE VALUE FOR THE
15 AMOUNT OF MONEY THAT WE'RE PUTTING IN?

16 AND THAT'S A CONCERN TO ME, AND THAT'S, I
17 GUESS, WHY I'D LIKE TO DISCUSS ALL THAT BECAUSE I'D
18 LIKE TO -- I DON'T KNOW HOW MUCH WE'VE MEASURED THIS
19 IN THE PAST. WE HAVE NUMBERS. WE'VE HAD X NUMBER
20 OF PEOPLE PARTICIPATE AND MANY OF THEM HAVE GOTTEN
21 JOBS. THAT REALLY ISN'T VERY SATISFACTORY FROM MY
22 POINT OF VIEW FROM A METRICS ANALYSIS ABOUT THE
23 QUALITY OR VALUE OF THESE PROGRAMS. SO I GUESS
24 THAT'S A LOT THE GENESIS IN HAVING YOU PARTICIPATE
25 IN THIS DISCUSSION.

BARRISTERS' REPORTING SERVICE

1 DR. YAFFE: WE MONITOR THESE PROGRAMS.

2 CHAIRMAN THOMAS: MICHAEL, HOLD ON ONE
3 SECOND. THE ULTIMATE AUTHORITY IS RAISING HIS HAND.

4 MR. HARRISON: I JUST WANTED TO POINT OUT
5 THAT I THINK IT WOULD BE BETTER IF YOU HAD THE
6 DISCUSSION ABOUT THE MECHANISM FIRST FOR THOSE
7 MEMBERS OF THE BOARD WHO, IF THE MOTION WITH RESPECT
8 TO THE RFP WERE TO FAIL, WOULD BE IN A POSITION
9 WHERE THEY EITHER EXTOL THE VIRTUES OF THE PROGRAM
10 OR CRITICIZED IT, AND THEN WE'D BE LEFT WITH THE
11 VOTE ON THE EXTENSION, AND THEY WOULD HAVE
12 EFFECTIVELY BEEN IN A POSITION IN WHICH THEY
13 INFLUENCE THAT. SO I THINK IT WOULD BE BEST TO
14 FIRST FOCUS ON THE MECHANISM AND THEN, DEPENDING
15 UPON THE OUTCOME OF THAT MOTION, TURN TO THE MERITS
16 OF THE PROGRAM.

17 CHAIRMAN THOMAS: I'VE GOT MICHAEL, THEN
18 LEON AND JEFF.

19 DR. YAFFE: I JUST WANTED TO ANSWER MR.
20 JUELSGAARD'S QUESTION. WE MONITOR THESE PROGRAMS
21 CLOSELY. AT THE TIME OF -- FIRST OF ALL, ALL THE
22 PROGRAMS REPORT ANNUALLY AND WITH A VERY
23 COMPREHENSIVE PROGRESS REPORT, AND SCIENCE OFFICERS
24 READ THOSE, EVALUATE THEM, MAKE INQUIRIES ABOUT THE
25 DATA AND THE INFORMATION.

BARRISTERS' REPORTING SERVICE

1 SECOND, WHEN WE GAVE THIS LAST THREE-YEAR
2 EXTENSION, GIL SAMBRANO AND I SITE VISITED ALL OF
3 THE PROGRAMS, MET WITH TRAINEES, MET WITH MENTORS,
4 AND MADE AN EVALUATION AND WROTE A SUMMARY TO MAKE
5 SURE THAT ALL OF THE PROGRAMS WERE IN GOOD STANDING.
6 AND WE DID FIND ALL THE PROGRAMS TO BE IN GOOD
7 STANDING AT THAT TIME, AND WE WOULD ANTICIPATE THAT
8 IF THERE'S A MECHANISM -- IF THERE'S A DECISION TO
9 CONTINUE FUNDING THESE, WE WOULD GO THROUGH A
10 SIMILAR EXERCISE TO EVALUATE QUITE CAREFULLY WHETHER
11 THE PROGRAMS ARE PERFORMING AS PROPOSED AND AS THEY
12 WERE APPROVED AND RECOMMENDED BY THE GRANTS WORKING
13 GROUP.

14 DR. JUELSGAARD: SO, MICHAEL, I APPRECIATE
15 THAT ANSWER, BUT EFFECTIVELY -- SO WE'RE DOWN TO THE
16 LAST AMOUNT OF MONEY, RIGHT. AND I THINK MAYBE
17 THERE'S JUST A HEIGHTENED SENSE OF SENSITIVITY, AT
18 LEAST ON MY PART, AS TO HOW THAT MONEY GETS SPENT.
19 AND THAT'S PROBABLY BEEN COMING FOR A WHILE NOW.
20 AND SO WHILE I APPRECIATE THAT THE STAFF LOOKS AT
21 HOW \$73.1 MILLION IS GOING TO BE SPENT AND FEELS
22 GOOD ABOUT IT, IT'S NOT CLEAR TO ME THAT THAT'S
23 SATISFACTORY FROM WHERE WE ARE RIGHT NOW, AND THAT
24 WE NEED TO HAVE SOME THINGS TO PRESENT TO THE BOARD
25 THAT SAYS, YES, THESE ARE VALUABLE PROGRAMS AND

BARRISTERS' REPORTING SERVICE

1 THEY'RE WORTH CONTINUING, AND HERE'S WHY. HERE IS
2 WHAT'S HAPPENED IN THE PAST THAT MAKES CLEAR THE
3 ARGUMENT THAT IT SHOULD CONTINUE UNTIL END OF THE
4 MONEY COMES.

5 SO AT LEAST I'VE NOT EVER HEARD THAT. SO
6 THAT'S WHY, AT LEAST FOR ME, THIS IS A GREAT SESSION
7 BECAUSE IT SORT OF CALLS INTO QUESTION EVERYTHING
8 THAT WE'RE DOING BECAUSE WE'RE DOWN TO PRIORITIES
9 AND FIGURING OUT HOW TO SPEND MONEY, AND A LOT OF
10 THIS MAY JUST NOT BE BUSINESS AS USUAL. AND SO,
11 ANYWAY, SO THAT'S WHAT IMPELS ME TO ASK THE QUESTION
12 AND TAKE THIS APPROACH.

13 DR. YAFFE: WE CAN AND ARE PREPARED IN THE
14 FUTURE TO PROVIDE YOU WITH OUTCOMES DATA IN THE FORM
15 OF WHAT HAS HAPPENED TO THESE TRAINEES. WHERE HAVE
16 THEY GONE? WHAT ARE THEY DOING NOW? WHAT DID THEY
17 PRODUCE WHEN THEY WERE TRAINEES? OUR TRAINING GRANT
18 DIRECTORS PROVIDE THAT KIND OF INFORMATION. THAT'S
19 THE KIND OF INFORMATION THEY REPORT TO US. WE'D BE
20 VERY HAPPY TO PROVIDE THAT FOR THE BOARD AND PRESENT
21 IT.

22 I THINK WHAT YOU WOULD SEE IS THAT WE HAVE
23 ACTUALLY, THROUGH THESE PROGRAMS, EDUCATED THE NEXT
24 GENERATION OF STEM CELL SCIENTISTS.

25 DR. JUELSGAARD: MAYBE ONE ALTERNATIVE IS

BARRISTERS' REPORTING SERVICE

1 WE JUST PUT THIS ASIDE, WE DON'T ACT ON IT, WHAT
2 YOU'RE PROPOSING. WAIT FOR YOU TO REPORT TO US ON
3 HOW THINGS HAVE GONE, AND THEN WE CAN MAKE -- THE
4 SMALL GROUP THAT'S GOING TO WIND UP MAKING THIS
5 STUDY DECISION IS IN A BETTER POSITION TO MAKE THE
6 STUDY DECISION. I'M FINE WITH THAT AS WELL.

7 BUT I'M BACK TO MY CORE CONCERN, WHICH IS
8 HOW DO WE KNOW THAT WE ARE GETTING VALUE FOR THE
9 MONEY THAT WE'RE SPENDING. WE CAN MEASURE IT IN
10 DEVELOPMENT PROJECTS. EITHER THE THINGS WORK OR
11 THEY DON'T WORK, RIGHT, AT THE END OF THE DAY. THIS
12 IS A MORE TOUCHY-FEELY KIND OF THING. I UNDERSTAND
13 THAT; BUT NONETHELESS, IT SEEMS TO ME THAT WE'VE GOT
14 TO TRY AND OBJECTIFY IT AS MUCH AS POSSIBLE TO
15 REALLY KNOW IF THIS IS A GOOD WAY TO SPEND OUR MONEY
16 OR NOT.

17 DR. FINE: CAN YOU GIVE ME SOME ROUGH
18 ESTIMATE OF WHAT PROPORTION OR WHAT PERCENTAGE OF
19 THE CURRENT TRAINEES ARE BEING TRAINED IN SHARED
20 LABORATORIES?

21 DR. YAFFE: NONE OF THEM ARE BEING TRAINED
22 IN SHARED LABORATORIES. THEY HAVE MENTORS WHO ARE
23 FACULTY MEMBERS OR STAFF RESEARCHERS AT THE RESEARCH
24 INSTITUTIONS OR THE UNIVERSITIES. SOME OF THEM GO
25 TO SHARED LABORATORIES TO LEARN TECHNIQUES OR TO USE

BARRISTERS' REPORTING SERVICE

1 THE SPECIALIZED EQUIPMENT THAT'S THERE OR TO GET
2 ADVICE ON THEIR EXPERIMENTS. AND THE SHARED
3 LABORATORIES HAVE PROVIDED VALUABLE ASSISTANCE IN
4 THIS AREA. BUT THESE ARE GRADUATE STUDENTS, POST
5 DOCS, AND CLINICAL FELLOWS, WHO ARE WORKING IN THE
6 RESEARCH LABORATORIES.

7 MR. SHEEHY: SO A COUPLE OF POINTS. NO.
8 1, TO MR. JUELSGAARD'S QUESTION ABOUT HOW TO DO WE
9 KNOW WE'RE GETTING VALUE, THERE'S ACTUALLY A VERY
10 WELL-ESTABLISHED PROCESS FOR DETERMINING THE VALUE
11 OF A PROGRAM AND THAT'S CALLED PEER REVIEW FOR
12 EXACTLY THAT REASON. AND IT SEEMS TO ME, I REMEMBER
13 WHEN THIS FIRST CAME UP, THERE WAS -- THERE'S ALWAYS
14 BEEN THE QUESTION OF HOW MANY TRAINING PROGRAMS DO
15 WE FUND. AT ONE POINT THERE WAS A FAIRLY STRONG
16 ARGUMENT WITHIN THE PEER REVIEW GROUP TO REALLY CAST
17 A NARROW NET. BUT I JUST FUNDAMENTALLY, AS A MATTER
18 OF PRINCIPLE, DON'T THINK WE SHOULD KEEP FUNDING
19 THESE PROGRAMS BROADLY WITHOUT AN INDIVIDUAL
20 REANALYSIS OF EACH APPLICANT BY A PEER REVIEW GROUP.

21 WITHIN YOUR OWN INSTITUTIONS YOU DON'T
22 GIVE OUT MONEY WITHOUT PEER REVIEW GENERALLY.
23 THAT'S HOW YOU GUYS KIND OF WORK. YOU PEER REVIEW
24 THESE THINGS, AND YOU JUST KEEP GIVING OUT MILLIONS
25 OF DOLLARS WITHOUT HAVING ASKED FOR ANOTHER PEER

BARRISTERS' REPORTING SERVICE

1 REVIEW SEEMS KIND OF UNUSUAL. NOW THAT WE'RE
2 GETTING SHORT, WE HAVE TO MAKE SURE THAT, NOW THAT
3 WE'RE GETTING TOWARDS THE END, THAT THE PROGRAMS THAT
4 WE'RE FUNDING ARE ACTUALLY PREMIERE PROGRAMS AND
5 THAT WE'RE GETTING VALUE FOR WHAT WE'RE DOING. AND
6 I THINK PERSONALLY THE IDEA OF TRAINING, THERE'S
7 LIKELY A GREAT DEAL OF MERIT THERE. BUT THE
8 PROGRAMS INDIVIDUALLY, RATHER THAN HAVING THESE
9 BROAD REPORTS FROM STAFF ARE JUST LIKE, YOU KNOW,
10 SEVERAL HUNDRED PAPERS, WHAT IS EACH PROGRAM WORTH
11 AND LET AN INDEPENDENT GROUP OF SCIENTISTS MAKE THAT
12 EVALUATION AND RECOMMEND WHETHER OR NOT IT'S
13 WORTHWHILE TO US TO INVEST AGAIN. I THINK THAT'S
14 REASONABLE.

15 AND THEN IN TERMS OF THE BRIDGES PROGRAM,
16 I THINK THIS IS LESS TRUE ABOUT THE TRAINING, BUT I
17 THINK WE NEED TO RELOOK AT HOW THE BRIDGES PROGRAM
18 IS DESIGNED. I'VE KNOWN PEOPLE WHO HAVE GONE
19 THROUGH THE BRIDGES PROGRAM. I'VE HEARD PEOPLE SAY
20 THAT THE INTERNSHIP PROGRAM PART IS GREAT; BUT AT
21 THE END OF THE DAY, MOST OF THE TIME WHEN YOU'VE
22 BEEN AN INTERN, AT THE END OF YOUR INTERNSHIP, YOU
23 DON'T HAVE A JOB. AND I THINK THAT, GIVEN THE GOAL
24 OF THE BRIDGES PROGRAM, THAT THERE OUGHT AT LEAST BE
25 A COMPONENT FOR THOSE FOLKS WHO ARE COMING IN THERE,

BARRISTERS' REPORTING SERVICE

1 ESPECIALLY OUT OF THE -- WHO ACTUALLY WANT TO GET A
2 JOB AFTER GOING THROUGH THIS PROGRAM, THAT THEY
3 ACTUALLY GET A JOB. WE SPEND A LOT OF MONEY
4 TRAINING THESE FOLKS, AND TO HAVE THEM NONEMPLOYED
5 WHEN WE KNOW THERE'S DEMAND FOR TRAINED FOLKS IN
6 THIS SECTOR DOESN'T MAKE SENSE TO ME.

7 SO, AGAIN, I THINK JUST BLINDLY RENEWING
8 AND RENEWING THIS DOESN'T REALLY FEEL VERY RIGHT TO
9 ME. AND DOING A NEW RFA, WE CAN DO THAT.

10 MR. TORRES: THERE HAS BEEN NO MORE
11 ENTHUSIASTIC SUPPORTER OF THESE PROGRAMS THAN MYSELF
12 BECAUSE I ALWAYS GO OUT OF THE WAY TALKING ABOUT THE
13 PROGRAMS. BUT I'M REALLY TORN NOW BECAUSE I DON'T
14 THINK THAT WE'VE HAD AN ADEQUATE REVIEW, AND I'M
15 CONCERNED BECAUSE I'VE HEARD THE SAME ANECDOTES.
16 PEOPLE AREN'T FINDING JOBS. WE'RE PAYING FOR ALL
17 THIS TRAINING AND WE'RE PAYING FOR ALL THIS SUPPORT,
18 AND PEOPLE AREN'T BEING EMPLOYED.

19 YES, AS DR. PRIETO HAS INDICATED TO ME
20 EARLIER AND I AGREE, THIS IS THE FUTURE. WE'RE
21 CREATING THE FUTURE STEM CELL SCIENTISTS
22 POTENTIALLY. WELL, IF WE'RE CREATING THEM, THEN THE
23 NEXT STEP TO CREATION IS FINDING A JOB. IF WE'RE
24 NOT DOING THAT, LET'S FIND OUT WHY THAT'S NOT
25 HAPPENING. THAT'S WHY I SUPPORT A PEER REVIEW HERE

BARRISTERS' REPORTING SERVICE

1 TO LET US KNOW, NOT JUST STAFF, BUT AN OUTSIDE
2 GROUP, LET US KNOW WHAT WE NEED TO DO TO IMPROVE THE
3 POTENTIAL FOR THESE YOUNG PEOPLE TO GET ACTUAL JOBS.

4 MS. FEIT: MR. CHAIRMAN, THIS IS MARCY.
5 I'D LIKE TO MAKE A COMMENT. HAVING BEEN INVOLVED IN
6 THE BRIDGES PROGRAM EARLY ON, I KNOW THAT WE'RE VERY
7 SENSITIVE TO THE FUNDING THAT'S LEFT, BUT I THINK
8 GENERALLY IN THE BEGINNING THERE WAS A FEELING THAT
9 WE HAD AN OBLIGATION TO REACH OUT TO UNDERSERVED
10 PEOPLE AND GIVE OPPORTUNITIES TO UNDERSERVED
11 POPULATIONS IN CALIFORNIA. AND THESE TRAINING
12 PROGRAMS THAT WE'RE FUNDING ARE ONE OF THE WAYS THAT
13 WE CAN DEMONSTRATE THAT WE ARE TRAINING AND REACHING
14 INTO AND ALLOWING SOME OF THE UNDERSERVED,
15 PARTICULARLY IN THE BRIDGES PROGRAM, UNDERSERVED
16 POPULATION OF CALIFORNIA HAVE ACCESS TO OUR
17 PROGRAMS.

18 AND I REMEMBER SEVERAL YEARS AGO WE HAD
19 FOUR STUDENTS COME FORWARD WHO HAD BEEN THROUGH THE
20 PROGRAM AND HAD -- I REMEMBER ONE YOUNG WOMAN
21 PARTICULARLY WHO CAME FROM FOSTER CARE AND WAS
22 TERRIBLY ABUSED, BUT WENT ON TO BE A RESEARCH
23 SCIENTIST, AND IT WAS EXTREMELY IMPRESSIVE WHAT WE
24 HAD DONE. I AGREE THAT WE NEED MORE ANECDOTAL
25 INFORMATION AND BENCHMARKING OF HOW THESE PROGRAMS

BARRISTERS' REPORTING SERVICE

1 ARE DOING BEFORE WE DECIDE ON ANY MORE FUNDING, BUT
2 I THINK THERE'S NO MORE COMPELLING STORY TO
3 LEGISLATURES ABOUT WHAT THIS INSTITUTE IS DOING THAN
4 TO TALK ABOUT HOW WE'RE TRAINING CALIFORNIANS,
5 REACHING INTO UNDERSERVED POPULATIONS AND CREATING
6 WORKFORCE OPPORTUNITIES. I THINK WE STILL HAVE TO
7 FIND OUT WHETHER THEY ARE GETTING JOBS OR NOT. I'M
8 NOT SURE THAT THEY ARE OR THEY ARE NOT.

9 CHAIRMAN THOMAS: THANK YOU, MARCY. ANY
10 OTHER COMMENTS?

11 DR. SAMBRANO: SO I JUST WANT TO
12 DISTINGUISH A LITTLE BIT THE PEER REVIEW PROCESS
13 FROM WHAT IS ESSENTIALLY POSTAWARD MONITORING. SO
14 TYPICALLY IN PEER REVIEW YOU'RE ASSESSING THE
15 SCIENTIFIC CONTENT OR THE STRUCTURE OF THE PROPOSAL,
16 WHICH I THINK IN THIS CASE IN OUR EXTENSIONS IS
17 UNCHANGED. SO IN MANY WAYS ALL OF THESE PROGRAMS
18 HAVE BEEN PEER REVIEWED.

19 NOW, BECAUSE THERE IS ONGOING MONITORING,
20 WE ARE ENGAGED IN THE PROCESS OF ENSURING THAT THE
21 PROGRAMS ARE MEETING THE OBJECTIVES THAT WERE SET
22 OUT BY THE RFA. SO IN ONE CASE YOU ACTUALLY
23 TERMINATED ONE OF THE TRAINING PROGRAMS BECAUSE WE
24 FELT IT WAS NOT MEETING THOSE OBJECTIVES. WE
25 CONTINUE TO DO THAT. WE CAN ALSO BRING MORE

BARRISTERS' REPORTING SERVICE

1 INFORMATION TO YOU REGARDING THE STATUS OF THOSE
2 PROGRAMS SO THAT YOU CAN MAKE MORE INFORMED
3 DECISION, WHICH I'M HEARING BASICALLY YOU DON'T FEEL
4 YOU HAVE ENOUGH INFORMATION TO MAKE THAT DECISION.
5 I DON'T KNOW THAT IT NECESSARILY HAS TO BE A PEER
6 REVIEW BECAUSE I DON'T KNOW THAT MUCH WOULD BE
7 CHANGING IN TERMS OF WHAT REVIEWERS WOULD BE
8 ASSESSING COMPARED TO WHAT THEY HAVE BEFORE. MUCH
9 OF WHAT WE'RE TALKING ABOUT IS THE STATUS OF THE
10 PROGRAM AND ARE THEY MEETING THE OBJECTIVES THAT
11 WERE ORIGINALLY SET OUT.

12 MR. SHEEHY: BUT HAVE THE OBJECTIVES
13 CHANGED? WE HAVE A HUGE ELSI COMPONENT, FOR
14 INSTANCE, IN THE ORIGINAL PROPOSAL. DO WE STILL
15 NEED A HUGE ELSI COMPONENT?

16 DR. SAMBRANO: WELL, THE ELSI COMPONENT,
17 YES, BECAUSE IT'S BROADER THAN SIMPLY THINKING ABOUT
18 EMBRYONIC STEM CELLS. THE WAY THE COURSES ARE
19 TAUGHT, THEY ARE ABOUT THE IMPACT OF STEM CELL
20 RESEARCH IN GENERAL TO THE COMMUNITY. AND MANY OF
21 THE COURSES ARE NOW CONSIDERING THE IMPACT OF CELL
22 THERAPIES. AND AS THEY ADVANCE, THE COURSES HAVE
23 ALSO EVOLVED. BUT IT'S OBVIOUSLY UP TO YOU WHAT
24 INFORMATION YOU FEEL YOU NEED TO MAKE THESE
25 DECISIONS. BUT WHAT I'M OFFERING IS THAT WE COULD

BARRISTERS' REPORTING SERVICE

1 BRING BACK ADDITIONAL INFORMATION THAT MAY NOT
2 REQUIRE NECESSARILY A GRANTS WORKING GROUP REVIEW.

3 DR. STEWARD: IT SEEMS TO ME THAT THE REAL
4 ISSUE HERE IS A MATTER OF REALLY DETERMINING
5 WORKFORCE NEEDS IN THE FUTURE AND THE EXTENT TO
6 WHICH WE'RE MEETING THEM. I REALLY HAVE TO SAY THAT
7 WE'RE DOING THIS WITH OUR PH.D. PROGRAMS AS WELL.
8 HOW MANY PEOPLE ARE WE TRAINING FOR PH.D.'S? OF
9 COURSE, IT'S WONDERFUL TO DO. AT THE END OF THE
10 DAY, IF THESE PEOPLE ARE NOT GOING TO HAVE JOBS,
11 THEN IT'S IMPORTANT TO TRY TO UNDERSTAND THAT AND
12 ADJUST THE TRAINING.

13 JUST A RUBBER STAMP CONTINUATION OF THESE
14 PROGRAMS DOESN'T GIVE US AS AN OPPORTUNITY TO STEP
15 BACK AND REEVALUATE, LOOK AT WORKFORCE NEEDS, AND
16 REALLY PRIORITIZE A LITTLE BIT. SO I THINK THAT
17 WHAT WE'RE TALKING ABOUT HERE IS NOT THAT THESE ARE
18 NOT GREAT PROGRAMS. THE QUESTION IS DO WE NEED ALL
19 THESE PROGRAMS? HOW MANY PEOPLE DO WE NEED TO
20 TRAIN? AND THAT REALLY COMES TO THE ISSUE OF
21 ANOTHER PEER REVIEW. I THINK THAT THAT SAYS IT ALL.
22 IT REALLY IS ALWAYS USEFUL TO HAVE THINGS LOOKED AT
23 CAREFULLY IN A BROADER PEER-REVIEWED SENSE.

24 DR. JUELSGAARD: SO IT'S CALLED TRAINING,
25 45 MILLION. HOW MUCH OF THAT -- SO THIS IS THE

BARRISTERS' REPORTING SERVICE

1 AMOUNT UNSPENT, RIGHT?

2 DR. YAFFE: NO. NO. THIS WOULD BE GOING
3 FORWARD. THIS WOULD BE THE SET ASIDE FOR GOING
4 FORWARD. IF YOU'D LIKE TO SEE THE NUMBER -- I MEAN
5 I COULD GO BACK TO NUMBERS THAT WE'VE ACTUALLY
6 SPENT. THIS IS NOT MONEY THAT'S LEFT THE STATE
7 TREASURER'S OFFICE.

8 DR. JUELSGAARD: SO IT'S STILL IN THERE,
9 RIGHT? SO HOW MUCH MONEY HAVE WE SPENT TODAY JUST
10 ON THE TRAINING PROGRAM?

11 DR. YAFFE: THE TRAINING GRANTS PROGRAM WE
12 SPENT 130 MILLION. I JUST CHANGED TO THAT SLIDE.
13 IT'S 131 MILLION.

14 DR. JUELSGAARD: THAT'S FOR ALL OF THOSE.
15 I'M SORRY. LET'S JUST DEAL WITH ONE PROGRAM, THE
16 BRIDGES PROGRAM FOR A MOMENT, WHICH IS THE ONE THAT
17 MARCY JUST TALKED ABOUT.

18 DR. YAFFE: BRIDGES PROGRAM, WE'VE SPENT
19 50.6 MILLION.

20 DR. JUELSGAARD: JUST STOP A MINUTE.
21 OKAY. SO NOW HOW MANY PEOPLE HAVE GONE THROUGH THAT
22 PROGRAM?

23 DR. YAFFE: SIX HUNDRED THIRTY-FIVE
24 TRAINEES HAVE GONE THROUGH THAT PROGRAM SO FAR.

25 DR. JUELSGAARD: SO WE'VE SPENT \$79,685

BARRISTERS' REPORTING SERVICE

1 PER TRAINEE.

2 DR. YAFFE: THAT'S NOT EXACTLY ACCURATE
3 BECAUSE THERE'LL ACTUALLY BE ANOTHER CLASS COMING IN
4 THAT'S COVERED BY THOSE FUNDS AND THERE'S ANOTHER
5 CLASS THAT JUST BEGAN. SO THE NUMBERS AREN'T
6 EXACTLY RIGHT, BUT WITHIN A FACTOR OF TWO, YOU'RE
7 CORRECT.

8 DR. JUELSGAARD: IF I'M RIGHT, AND SENATOR
9 TORRES PROBABLY CAN CORRECT ME IF I'M WRONG, BUT
10 THAT'S PROBABLY MORE THAN THE AVERAGE CALIFORNIAN
11 MAKES IN A YEAR; IS THAT RIGHT? THESE ARE JUST A
12 SERIES OF QUESTIONS. THIS IS PART OF THE REVIEW
13 PROCESS THAT I WOULD LIKE TO SEE US UNDERTAKE. ARE
14 WE REALLY GETTING VALUE FOR WHAT WE'RE SPENDING.
15 AND SOME OF THESE NUMBERS MAY OR MAY NOT BE
16 IMPORTANT, BUT THIS IS JUST ONE, THAT AS I WAS
17 THINKING ABOUT THIS, THE QUESTION IS --

18 DR. HAWGOOD: STEVE, JUST A CLARIFICATION.
19 IT'S NOT A ONE-YEAR PROGRAM FOR THESE INDIVIDUALS.

20 DR. JUELSGAARD: THIS IS THE AMOUNT WE'VE
21 SPENT TO DATE FOR 635 TRAINEES.

22 DR. YAFFE: WE COULD GIVE YOU A DETAILED
23 BREAKDOWN OF HOW MUCH MONEY THAT IS.

24 DR. JUELSGAARD: THAT'S PART OF WHAT I
25 THINK WE SHOULD BE LOOKING AT DOWN THE ROAD, AND SO

BARRISTERS' REPORTING SERVICE

1 DEFERRING THIS UNTIL WE HAVE MORE INFORMATION, FOR
2 ME, IS THE BEST THING TO DO.

3 DR. YAFFE: IT WAS MY UNDERSTANDING THAT
4 WHEN WE BROUGHT TO YOU REQUESTS FOR THE INDIVIDUAL
5 PROGRAMS AND THE ACTUAL MONEY, WE WOULD PROVIDE THAT
6 HIGHER DEGREE OF DETAIL.

7 MR. SHEEHY: AREN'T THOSE TWO DIFFERENT
8 QUESTIONS? I THINK THAT'S WHY JAMES IS WAVING
9 FRANTICALLY. IF WE'RE GOING TO HAVE A DISCUSSION
10 ABOUT THE MERITS OF THE PROGRAM, THEN THAT TAKES
11 MOST OF US OUT OF THE DISCUSSION. IF THE QUESTION
12 IS WHETHER OR NOT TO ISSUE AN RFA, THEN THE RFA'S
13 COULD BE ISSUED. AND THEN WITHIN THE CONTEXT OF
14 APPROVING THE CONCEPT PLAN, WE COULD DO THE TYPE OF
15 ANALYSIS YOU'RE ASKING FOR AND THEN LOOK AT THE
16 PROGRAMS TO SEE WHAT IMPROVEMENTS COULD BE MADE
17 POTENTIALLY OR WHAT NOT, AND THEN THEY WOULD GO FOR
18 PEER REVIEW.

19 CHAIRMAN THOMAS: DIANE.

20 MS. WINOKUR: I THINK THAT WE SHOULD DO
21 THAT KIND OF EVALUATION THAT YOU SUGGESTED, BUT I
22 THINK WITH EVERYTHING FROM NOW ON, WE HAVE TO DO A
23 PROCESS IN WHICH WE DISCUSS WHETHER WE WANT TO SPEND
24 OUR MONEY ON THIS PROGRAM OR ANOTHER PROGRAM,
25 WHETHER WE DON'T WANT TO DO ANY MORE OF THIS, OR

BARRISTERS' REPORTING SERVICE

1 WHETHER WE DO WANT TO DO IT, AND WE WANT TO SPEND
2 THIS AMOUNT OR LESSER AMOUNT OR MORE AMOUNT. I
3 THINK WE HAVE TO CAREFULLY LOOK AT EVERYTHING.

4 CHAIRMAN THOMAS: FAIR POINT.

5 DR. PRIETO: I AGREE WITH THAT AND WITH
6 MR. JUELSGAARD. I THINK THAT I'M A VERY STRONG
7 SUPPORTER OF THESE PROGRAMS, BUT I THINK IF THEY ARE
8 VALUABLE, THEY'RE WORTH LOOKING AT CAREFULLY AND
9 LOOKING AT RESULTS. AND I THINK IT'S ALSO IMPORTANT
10 FOR US TO LOOK AT THE VALUE OF THESE PROGRAMS TO THE
11 STATE OF CALIFORNIA BECAUSE IF THEY ARE THIS
12 VALUABLE, PERHAPS WE NEED TO FIND A WAY TO LEVERAGE
13 THE FUNDING GOING FORWARD SO THAT THEY ARE NOT
14 DEPENDENT ON THE EXISTENCE OF A STATE AGENCY THAT
15 MAY NOT BE AROUND IN FIVE YEARS. SO I THINK THIS IS
16 A GOOD APPROACH.

17 CHAIRMAN THOMAS: NO FURTHER COMMENTS.
18 MEMBERS OF THE PUBLIC, JEANNE.

19 DR. LORING: THIS IS THE PUBLIC BACK
20 AGAIN. I HAVE GOOD NEWS AND BAD NEW. THE GOOD NEWS
21 IS THAT OF THE 20 INTERNS FROM THE BRIDGES PROGRAM
22 THAT WE'VE TRAINED OR HAVE WORKED IN OUR LAB, ALL 20
23 HAVE EITHER JOBS AS TECHNICIANS OR THEY'RE IN
24 GRADUATE SCHOOL. SO WE HAVE A HUNDRED PERCENT
25 SUCCESS RATE AS FAR -- IF THAT'S THE METRIC.

BARRISTERS' REPORTING SERVICE

1 THE BAD NEWS IS THAT THESE COURSES ARE
2 TAUGHT BY PEOPLE WHO ARE FUNDED BY THE SHARED LAB
3 GRANTS. AND THEY ARE HELD IN THE SHARED LABS. THAT
4 PICTURE OF THE HIGH SCHOOL STUDENTS, THEY ARE ALSO
5 TRAINED IN THE SHARED LABS.

6 SO AS YOU KNOW, THERE ARE TWO COMPONENTS
7 TO THE SHARED LABS AND TRAINING PROGRAMS. WE GET
8 \$200,000 A YEAR TO SUPPORT OUR SHARED LAB, AND WE
9 GET ANOTHER \$200,000 A YEAR TO SUPPORT OUR TRAINING
10 PROGRAM. NOW, I BELIEVE YOU VOTED DOWN BOTH OF
11 THOSE WHEN YOU VOTED DOWN THE SHARED LABS. SO THAT
12 MEANS WE HAVE NO MONEY, NO INFRASTRUCTURE MONEY FOR
13 TRAINING THESE PEOPLE, AND WE HAVE NO PLACE TO TRAIN
14 THEM, WHICH I THINK IS RATHER IRONIC. AND I THINK
15 IT'S GOING TO CAUSE A LOT OF CHALLENGES MOVING
16 FORWARD. WE DON'T KNOW WHERE TO PUT THEM. IF YOU
17 FUND THEM, WE CAN'T TRAIN THEM.

18 MR. SHEEHY: CAN I JUST MAKE A COMMENT?
19 THAT'S THE ARGUMENT FOR HAVING AN RFA BECAUSE SOME
20 OF THE FOLKS THAT WE MAY BE TALKING ABOUT BLINDLY
21 EXTENDING WOULD NO LONGER COMPETE. AND SO WE'D BE
22 GIVING THEM MONEY THAT WE JUST DECIDED THEY DON'T
23 HAVE THE FACILITIES TO DO THE WORK IN. THAT'S WHY
24 WE SHOULD ISSUE A NEW RFA. THERE'S A LOT OF -- THE
25 IDEA OF JUST BLINDLY EXTENDING IS JUST INCOHERENT TO

BARRISTERS' REPORTING SERVICE

1 MY MIND.

2 DR. WARBURTON: DAVID WARBURTON,
3 CHILDREN'S HOSPITAL LOS ANGELES, SABAN RESEARCH
4 INSTITUTE. I DIRECT THE CIRM TRAINING PROGRAM AS
5 WELL AT THAT INSTITUTE, AND WE ARE A POST GRADUATE
6 TRAINING PROGRAM. WE DO POST DOCS AND MEDICAL
7 FELLOWS, AND WE HAVE A HUNDRED PERCENT SUCCESS RATE
8 WITH THESE IN ACHIEVING FURTHER EMPLOYMENT EITHER IN
9 INDUSTRY OR ACADEMIA IN THE CASE OF THE POST DOCS
10 AND ALL IN ACADEMIC SURGERY AND MEDICINE WITH
11 REGARDS TO THE FELLOWS. SO I THINK THIS IS A VERY
12 SUCCESSFUL PROGRAM. MANY OF THEM ARE RETURNING --
13 THE PHYSICIANS, MANY OF THEM RETURN TO THEIR
14 CLINICAL TRAINING AND COME OUT THE OTHER END AS STEM
15 CELL RESEARCHERS A BIT LATER ON. SO I THINK THAT'S
16 GOOD VALUE FOR MONEY THERE.

17 IN TERMS OF THE BRIDGES PROGRAM, WE DO
18 ENTERTAIN QUITE A LOT OF INTERNS FROM DIFFERENT
19 BRIDGES PROGRAMS AROUND SOUTHERN CALIFORNIA AT UC
20 RIVERSIDE, PASADENA CITY COLLEGE, CAL STATE CHANNEL
21 ISLANDS, AND SO ON. QUITE A FEW OF THESE PEOPLE ARE
22 MINORITIES THAT WOULD NOT HAVE A HOPE OF GETTING TO
23 THE NEXT STAGE IN THEIR CAREERS WITHOUT THIS
24 PROGRAM. THE PEOPLE THAT WE HAVE TRAINED, WE'VE
25 KEPT THREE OF THEM AS GRADUATE STUDENTS, SO THEY'RE

BARRISTERS' REPORTING SERVICE

1 GOING ON TO DOCTORAL LEVEL TRAINING. I'VE SENT
2 THREE TO MEDICAL SCHOOL BECAUSE MEDICAL SCHOOLS
3 REALLY LIKE PEOPLE WHO HAVE HAD THIS ADVANCED
4 INSIGHT INTO STEM CELL RESEARCH OF REGENERATIVE
5 MEDICINE. SO IF YOU WANT PEER REVIEW, BRING IT ON.
6 IT'S JUST MORE PAPERWORK. WE'LL BE VERY HAPPY TO DO
7 IT FOR YOU. WE ALREADY DO IT EVERY YEAR. MIKE
8 COMES AND PUTS US ON THE TOASTER EVERY YEAR. WE
9 FEEL WE'RE DOING A GREAT JOB. IF YOU WANT TO GO FOR
10 IT, BUT I'M JUST SAYING IT'S A VERY VALUABLE PROGRAM
11 AND IT'S WORKING. SO DON'T FIX IT.

12 DR. JUELSGAARD: IT'S A GREAT NEW NICKNAME
13 FOR MIKE. WE'RE GOING TO CALL HIM TOASTER FROM NOW
14 ON.

15 CHAIRMAN THOMAS: OKAY. ANY MORE COMMENTS
16 BY MEMBERS ON THE PHONE? SO WE HAVE A MOTION HERE.
17 MR. HARRISON, RESTATE THE MOTION, PLEASE.

18 MR. HARRISON: THE MOTION IS TO REQUEST
19 THAT STAFF PREPARE A REQUEST FOR APPLICATIONS FOR
20 THE BRIDGES AND TRAINING PROGRAMS.

21 CHAIRMAN THOMAS: OKAY.

22 MR. HARRISON: LET ME CLARIFY. ACTUALLY
23 THAT WOULD, I ASSUME, BE ACCOMPANIED BY A CONCEPT
24 PROPOSAL THAT WOULD BE BROUGHT TO THE BOARD FIRST
25 THAT WOULD INITIATE THE RFA'S.

BARRISTERS' REPORTING SERVICE

1 DR. BOXER: COULD I JUST ASK IF WE VOTE
2 AGAINST THIS, WHAT HAPPENS?

3 MR. HARRISON: IF YOU VOTE AGAINST THIS
4 MOTION, THEN THE DEBATE ABOUT WHETHER TO EARMARK
5 MONEY TO CONTINUE TO FUND THESE TWO PROGRAMS WOULD
6 BE LIMITED TO INDIVIDUALS WHO DON'T HAVE AN
7 AFFILIATION WITH ONE OF THE INSTITUTIONS THAT HAS
8 THE PROGRAM CURRENTLY.

9 DR. BOXER: BUT IF WE VOTE FOR IT, THEN
10 WE'VE SAID WE'RE NOT GOING TO CONTINUE FUNDING
11 BECAUSE WE HAVE TO GET RFP'S.

12 MR. HARRISON: NO. IF YOU VOTE FOR THIS
13 MOTION, IT MEANS THAT STAFF WILL COME BACK TO THE
14 BOARD WITH A CONCEPT PROPOSAL FOR THE PROGRAM. SO
15 THE BOARD WILL HAVE AN OPPORTUNITY TO EVALUATE THE
16 PROGRAM AND MAKE A DETERMINATION WHETHER OR NOT IT
17 WANTS TO COMMIT FUNDS TO IT, AND STAFF WOULD THEN
18 DRAFT AN RFA, THERE WOULD BE A COMPETITION, AND THE
19 BOARD WOULD HAVE AN OPPORTUNITY TO APPROVE OR
20 DISAPPROVE.

21 DR. BOXER: BUT MY POINT IS THAT IT MEANS
22 THAT THESE CURRENT PROGRAMS DO NOT CONTINUE. THEY'D
23 HAVE TO BE REAPPLIED FOR.

24 MR. HARRISON: CORRECT. UNDER THE CURRENT
25 GRANT TERMS, INSTITUTIONS WOULD HAVE TO REAPPLY.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN THOMAS: MARIA, CAN YOU PLEASE
2 TAKE THE ROLL.

3 MS. BONNEVILLE: LARS BERGLUND. LINDA
4 BOXER.

5 DR. BOXER: YES.

6 MS. BONNEVILLE: SUE BRYANT. ANNE-MARIE
7 DULIEGE.

8 DR. DULIEGE: YES.

9 MS. BONNEVILLE: MARCY FEIT.

10 MS. FEIT: YES.

11 MS. BONNEVILLE: LEON FINE.

12 DR. FINE: YES.

13 MS. BONNEVILLE: ELIZABETH FINI.

14 DR. FINI: YES.

15 MS. BONNEVILLE: JUDY GASSON.

16 DR. GASSON: YES.

17 MS. BONNEVILLE: MICHAEL GOLDBERG.

18 MR. GOLDBERG: YES.

19 MS. BONNEVILLE: SAM HAWGOOD.

20 DR. HAWGOOD: YES.

21 MS. BONNEVILLE: STEPHEN JUELSGAARD.

22 DR. JUELSGAARD: YES.

23 MS. BONNEVILLE: TED Krontiris.

24 DR. Krontiris: YES.

25 MS. BONNEVILLE: SHERRY LANSING. BERT

BARRISTERS' REPORTING SERVICE

1 LUBIN. FRANCISCO PRIETO.
2 DR. PRIETO: AYE.
3 MS. BONNEVILLE: ROBERT QUINT.
4 DR. QUINT: ABSTAIN.
5 MS. BONNEVILLE: AL ROWLETT. JOAN
6 SAMUELSON. JEFF SHEEHY.
7 MR. SHEEHY: YES.
8 MS. BONNEVILLE: OSWALD STEWARD.
9 DR. STEWARD: YES.
10 MS. BONNEVILLE: JONATHAN THOMAS.
11 CHAIRMAN THOMAS: YES.
12 MS. BONNEVILLE: ART TORRES.
13 MR. TORRES: AYE.
14 MS. BONNEVILLE: CARL WARE. DONNA WESTON.
15 DR. WESTON: YES.
16 MS. BONNEVILLE: DIANE WINOKUR.
17 MS. WINOKUR: YES.
18 MS. BONNEVILLE: DAVID.
19 DR. BRENNER: YES.
20 CHAIRMAN THOMAS: OKAY. THANK YOU. THAT
21 MOTION CARRIES AS WELL.
22 OKAY. WE'RE GOING TO TAKE A FIVE-MINUTE
23 BREAK HERE. WE'RE GOING TO GO A BIT OUT OF ORDER.
24 WE'RE GOING TO GO NEXT TO THE DISCUSSION OF THE
25 PUBLIC/PRIVATE FUNDING WHICH ALAN IS GOING TO LEAD,

BARRISTERS' REPORTING SERVICE

1 BUT LET'S TAKE A FIVE-MINUTE BREAK TO GIVE BETH A
2 CHANCE TO REST HER FINGERS.

3 (A RECESS WAS TAKEN.)

4 CHAIRMAN THOMAS: EVERYBODY, PLEASE TAKE
5 YOUR SEATS. OKAY. I THINK WE MAY HAVE ONE OR TWO
6 STILL COMING IN. WHY DON'T WE PROCEED HERE.

7 WE DISCUSSED EARLIER, AT THE TOP OF THE
8 DAY, LOOKING AT A NUMBER OF SUSTAINABILITY IDEAS FOR
9 THE AGENCY. WE COME NOW TO ALAN'S REPORT WHICH
10 DEALS WITH THE ISSUE OF FUNDING FOR CERTAIN PROJECTS
11 IN THE TRANSLATIONAL PORTFOLIO. HE'S ACCOMPANIED BY
12 JIM GOLLUB, WHO ALAN WILL INTRODUCE. SO WITHOUT
13 FURTHER ADO, ALAN, TAKE IT AWAY.

14 DR. TROUNSON: THANKS, CHAIR. AND JIM
15 GOLLUB IS JUST STANDING BACK THERE, JUST WAVE, WHO'S
16 BEEN A CONSULTANT ON THIS PROGRAM. SO JIM IS
17 NEARBY. LOOK, YOU MAY OR MAY NOT REMEMBER, ABOUT A
18 YEAR AND A HALF AGO ONE OF MY GOALS WHEN I WAS
19 REVIEWED WAS TO LOOK INTO THE POSSIBILITY OF A
20 PUBLIC/PRIVATE FOUNDATION OR FUNDING FOR CIRM. AND
21 THAT I PUT AS ONE OF MY GOALS IN THE TWELVE MONTHS.
22 AND SO I'M HERE TO REPORT ON THAT GOAL.

23 YOU WILL HAVE RECEIVED THE WHITE PAPER
24 WHICH IS WHAT JIM HAS PREPARED FOR US WITH GUIDANCE.
25 HE'S BEEN WORKING WITH A STEERING COMMITTEE WHICH

BARRISTERS' REPORTING SERVICE

1 INCLUDED THREE OF THE BOARD MEMBERS AND QUITE A
2 NUMBER OF STAFF AT CIRM. SO WE'VE BEEN THROUGH THIS
3 PROCESS TOGETHER TO GET YOU THAT WHITE PAPER THAT
4 WAS SENT TO YOU A LITTLE WHILE AGO, IN THE LAST TEN
5 DAYS, AND I'M GOING TO PRESENT THIS WHITE PAPER IN
6 THE TALK THAT I'M GIVING TO YOU NOW.

7 SO WE WANTED TO ENSURE CIRM'S PROJECT
8 PORTFOLIO COULD PROGRESS. SO IT REALLY WHAT I WAS
9 EMPHASIZING AT THAT TIME WAS THAT WE NEEDED A
10 MECHANISM TO COST EFFECTIVELY ASSIST EARLY STAGE
11 STEM CELL RESEARCH PROJECTS TO MATURE ENOUGH SO
12 THEY'RE INVESTMENT READY. SO THIS WAS THE BASIC
13 GOAL BEHIND THE AIM.

14 AND YOU WILL KNOW, IF YOU READ OUR WEBSITE
15 AND YOU SEE THE PUBLIC INFORMATION THAT WE HAND OUT,
16 WE HAVE ABOUT 90 PROJECTS THAT ARE IN TRANSLATION,
17 BROADLY MOVING IN TRANSLATION THROUGH DEVELOPMENT TO
18 THE CLINIC. THERE ARE 90 OF THEM. AND I LIST WHERE
19 THEY'RE COMING FROM HERE: BLOOD DISEASES, BONE
20 DISEASES, CANCER, CARTILAGE DISORDERS, DIABETES, EYE
21 DISEASE, HIV/AIDS, MUSCLE DISEASE. YOU CAN READ THE
22 NUMBERS ASSOCIATED WITH THESE. NEUROLOGICAL
23 DISEASES, WE HAVE 26 PROJECTS AND \$161 MILLION
24 BEHIND NEURODEGENERATIVE DISORDERS. HEART DISEASE,
25 THERE ARE TEN PROJECTS IN THAT GROUP, AROUND 73, \$74

BARRISTERS' REPORTING SERVICE

1 MILLION. LIVER DISEASE, SKIN DISEASE, IMMUNE
2 DISEASES, GENETIC DISEASES, AND VASCULAR DISEASE OR
3 MULTIPLE IN THAT CATEGORY, THERE ARE TWO PROJECTS
4 THERE.

5 SO THIS ADDS UP TO \$661.4 MILLION OF OUR
6 INVESTMENT IN TRANSLATION. SO THIS IS AN IMPORTANT
7 PORTFOLIO. IT'S A VERY LARGE PORTFOLIO. AND
8 CLEARLY NOT ALL OF THESE ARE GOING TO MAKE IT
9 THROUGH TO THE CLINIC. BUT CURRENTLY WE'RE BATTING
10 OFF A PRETTY HIGH AVERAGE WITH RESPECT TO GETTING
11 OUR PROJECTS TO MOVE FORWARD.

12 LET ME GIVE YOU A GRAPHIC WHICH IS NOT
13 THERE IN YOUR NOTES. SO JUST PAY ATTENTION FOR A
14 MOMENT TO THE SLIDE. THIS IS OUR TRANSLATIONAL
15 PIPELINE ON THE STAGE OF DEVELOPMENT. NEIL LITTMAN
16 PREPARED THIS FOR US. SO IF YOU HAVE A LOOK, I'LL
17 JUST POINT AT THIS ONE OVER HERE. THERE'S ONE
18 PROJECT READY MOVING IN TO COMPLETE PHASE II. THERE
19 ARE 17 PROJECTS HERE AIMING TO COMPLETE PHASE I OR
20 PHASE I-II. SO THESE ARE THE 18 PROJECTS THAT ARE
21 ON THE FAST RUNNING EDGE TO COMPLETE IN THIS CASE
22 PHASE I OR PHASE I AND II, AND THIS IS JUST ONE
23 PROJECT THAT'S SET TO COMPLETE PHASE II.

24 YOU CAN SEE THE BACKUP NUMBER OF PROJECTS
25 HERE. THERE ARE NINE PROJECTS SET TO FILE AN IND.

BARRISTERS' REPORTING SERVICE

1 THERE'S 36 PROJECTS IN THIS GROUP HERE DEVELOPING
2 CANDIDATES FOR IND. SO THEY'RE FURTHER BACK THAN
3 THAT, BUT THERE ARE 36 OF THEM THERE. AND THERE'S
4 29 PROJECTS THAT ARE POC FOR DISCOVERY CANDIDATES.
5 THAT IS, WE'RE DOING THE WORKUP TO FIND THE
6 DEVELOPMENTAL CANDIDATE TO MOVE IT UP THE PIPELINE.

7 SO HERE'S A PRETTY SUBSTANTIAL PROGRAM
8 WHICH YOU FUNDED, TRANSLATIONAL PROGRAM. AND IT'S A
9 BIG WORRY TO ME BECAUSE WE'VE SPENT SO MUCH MONEY,
10 660, \$70 MILLION THAT IF WE DON'T TAKE A LOOK AT HOW
11 WE COULD ENSURE THAT SOME OF THESE PROJECTS CAN
12 PROGRESS, THERE'S A HECK OF A LOT OF THEM ARE GOING
13 TO DIE. YOU KNOW, OUR MONEY INVESTED IN IT IS
14 REALLY JUST GOING TO TAPER OFF TO ZERO. I ACTUALLY
15 DON'T THINK THAT'S A GOOD THING, AND THAT'S REALLY
16 WHY I STARTED THIS PROCESS A YEAR AND A HALF AGO TO
17 LOOK TO SEE WHAT WE COULD DO IN TERMS OF A MODEL TO
18 BRING PRIVATE FINANCING IN WITH THE PUBLIC FINANCING
19 TO HELP WITH THESE PARTICULAR TRANSLATIONAL
20 PROJECTS.

21 SO WE HAVE THESE EARLY TRANSLATIONAL
22 PROJECTS WHERE WE'RE FUNDING CURRENT AND PRECLINICAL
23 TRIALS. WE'RE MANAGING PROJECTS TO MILESTONES,
24 ENSURING REPLICABLE LAB RESEARCH, AND SCREENING
25 CANDIDATES AGAINST PRE-IND CRITERIA. YOU KNOW THE

BARRISTERS' REPORTING SERVICE

1 EARLY TRANSLATIONAL PART. THE DISEASE TEAMS IS
2 REALLY, THEN, TO SCREEN AND PRIORITIZE THE STRONGEST
3 OF THESE PROJECTS, FUND THE PRIORITY IND TO CLINICAL
4 TRIALS, MANAGE THE PRODUCT DEVELOPMENT, AS ELLEN HAS
5 BEEN REALLY TALKING TO YOU ABOUT NOW FOR SOME TIME,
6 MANAGE THESE PROJECTS TO GET THE BEST OUT OF THEM
7 AND INTRODUCE THE BIOPHARMACEUTICAL PARTNERS, WHICH
8 IS WHAT I'VE BEEN DOING WITH ELONA BAUM AND NEIL
9 LITTMAN AND OTHERS TO ACTUALLY TRY AND BRING THE
10 BIOPHARMACEUTICAL INDUSTRY IN TO COLLABORATE,
11 CO-FUND WITH US AND ACHIEVE LICENSE OR LAUNCH
12 START-UP. SO THAT'S WHAT WE'RE DOING INTERNALLY.

13 WE ACTUALLY ASKED EARLIER ON FOR AN
14 INVESTIGATION OF TRANSLATIONAL RESEARCH MODELS THAT
15 WERE OUT THERE BEING USED OR PROPOSED
16 INTERNATIONALLY. SO WE HAD STEVE DICKMAN PRODUCE A
17 REPORT, WHICH IS ON THE WEBSITE. SO IT'S THERE ON
18 THAT WEBSITE. YOU CAN GET IT OFF OUR WEBSITE, WHICH
19 GOES THROUGH ALL OF THE MODELS THAT ARE BEING
20 CURRENTLY USED OR IN USE IN PRIVATE/PUBLIC
21 COLLABORATIONS, WHATEVER YOU WANT TO CALL IT,
22 CONSORTIA OR COLLABORATIONS. THERE'S JUST A NEW
23 REPORT I'VE SEEN OUT JUST RECENTLY WHERE THE WHOLE
24 OF THE JAPANESE SYSTEM IS MOVING INTO A
25 CONSORTIUM-BASED PROCESS TO DO WHAT WE'VE BEEN

BARRISTERS' REPORTING SERVICE

1 DOING. ESSENTIALLY TO BRING COMPANIES TOGETHER WITH
2 ACADEMICS TOGETHER WITH MEDICAL RESEARCH IN ORDER TO
3 HAVE CONSORTIUMS MOVE THE PROJECTS FORWARD.

4 SO THERE ARE A LOT OF GENUINE
5 PUBLIC/PRIVATE ARRANGEMENTS THAT ARE DEVELOPING
6 WORLDWIDE IN REGENERATIVE MEDICINE OR VERY
7 APPLICABLE TO REGENERATIVE MEDICINE.

8 SO ON THE BASIS THAT WE LOOKED AT THE
9 MODELS THAT WE ASKED JAMES GOLLUB AND HIS ASSOCIATES
10 TO REALLY SORT OF LOOK VERY CLOSELY WHAT WOULD SUIT
11 US BEST SO THAT I COULD BRING YOU A RECOMMENDATION
12 THAT SAID IN OUR VIEW THIS WOULD BE THE BEST
13 CONSTRUCT FOR A PRIVATE/PUBLIC FUND IN ORDER TO
14 REALLY ADDRESS FUNDING OF THESE TRANSLATIONAL
15 PROJECTS AND HELPING THEM MOVE THROUGH TO A STAGE
16 WHERE THEY'LL BE INVESTMENT READY TO BE PICKED UP BY
17 BIOPHARMACEUTICAL INDUSTRY TO TAKE FORWARD.

18 SO WE HAD AN RFP FOR THE CONSULTANCY, AND
19 JAMES AND HIS ASSOCIATES WERE SELECTED. AS I SAID,
20 THEY'VE WORKED VERY CLOSELY WITH THE CIRM STEERING
21 COMMITTEE, AND THEY COMPLETED THIS STUDY IN FOUR
22 STEPS, A SWOT ANALYSIS OF APPRAISALS OF NEED. SO
23 THAT SWOT ANALYSIS WAS DONE AND TESTED OUT MODELS
24 ANALYSIS LOOKING AT ALTERNATIVE APPROACHES, WHICH IS
25 THE BEST WAY OF REALLY TAKING THIS FORWARD. AND

BARRISTERS' REPORTING SERVICE

1 THEN DOING A STAKEHOLDER REVIEW FROM DECISION
2 MAKERS. SO GO OUT AND SEE THOSE PEOPLE WHO ARE OUT
3 IN THE INVESTMENT INDUSTRY, WHO ARE IN THE
4 BIOPHARMACEUTICAL INDUSTRY, WHO REPRESENT THOSE
5 PEOPLE WHO WOULD HAVE A VIEW ABOUT HOW WE COULD
6 ACTUALLY BRING THIS MONEY TOGETHER.

7 SO JAMES AND HIS COLLEAGUES CAME THROUGH
8 WITH THREE PRIMARY RECOMMENDATIONS. SO THE FOCUS ON
9 THIS IS ON THESE VETTED OPTIONS, THE TARGETS OR
10 MODELS FOR ADVANCING INNOVATION TO THE MARKETPLACE.
11 THEY NEEDED TO CONSIDER OUR STATUS AS A VERY SPECIAL
12 STATUS. IT'S NOT AN EASY ONE TO CONFIGURE WITH THE
13 PRIVATE INDUSTRY. LOOK AT THE RANGE OF OPTIONS AND
14 BRING THE MOST FEASIBLE AND ATTRACTIVE TO THE
15 PARTNERSHIP.

16 SO THEIR RECOMMENDATIONS WERE FOR THREE
17 THINGS. NO. 1, TO ESTABLISH A PRIVATE/PUBLIC
18 PRECLINICAL CLINICAL TRIALS FUND. SO THAT'S NO. 1.
19 ESTABLISH A FUND THAT INCLUDES BOTH THE PRIVATE AND
20 THE PUBLIC FUNDING. AND WE'LL SAY A LITTLE MORE
21 ABOUT THAT IN A MOMENT.

22 SECONDLY, AND WE'VE HAD A LOT OF
23 DISCUSSION ABOUT THAT ALREADY TODAY, MAKE SURE THAT
24 WE'VE GOT A CIRM ACCELERATOR SO THAT WE CAN
25 ACCELERATE SOME OF THESE PROJECTS TO THE INVESTMENT

BARRISTERS' REPORTING SERVICE

1 READY STAGE TO ATTRACT THE FUNDING TO COME INTO THIS
2 PRIVATE/PUBLIC FUND.

3 AND THEN THREE, TO LOOK AT A
4 PRECOMPETITIVE R & D PROGRAM WHERE WE WOULD GET
5 FUNDING WHERE IT'S REALLY PRECOMPETITION BY
6 INDUSTRY, BUT IT'S NECESSARY TO SOLVE SOME OF THE
7 ISSUES THAT ARE REQUIRED FOR DRIVING THESE PROGRAMS
8 FORWARD IN A CLINICAL PROGRAM.

9 SO JUST ON THE NO. 1 RECOMMENDATION, THE
10 PRIVATE/PUBLIC PRECLINICAL CLINICAL TRIALS FUND, THE
11 CHALLENGE IS, IN FACT, THE FUND. HOW DO YOU SECURE
12 TO ADVANCE PROJECTS FROM THE PRE-IND STAGE THROUGH
13 TO PHASE I-II? THE PARTNERSHIP, HOW TO BUILD A NEW
14 COLLABORATIVE PRIVATE/PUBLIC FUND TO FILL A
15 PIPELINE, HOW DO YOU DO IT?

16 AND THEN THE PROGRESS IS HOW DO YOU
17 ADVANCE THOSE PROJECTS THROUGH TO PHASE IIA AND B
18 AND TO A LICENSE OR A START-UP. SO STEP ONE IN
19 THEIR RECOMMENDATIONS IN THE WHITE PAPER IS, FIRST,
20 THE PLAN IS TO REACH OUT TO ALL THESE DISEASE
21 FOUNDATIONS, FAMILY FOUNDATIONS, MAJOR
22 PHARMACEUTICALS TO COLLABORATIVELY PLAN A
23 PUBLIC/PRIVATE REGENERATIVE MEDICINE-FOCUSED
24 PRECLINICAL AND CLINICAL TRIALS FUND WITH CIRM,
25 OFFERING KNOWLEDGE, EXPERIENCE, PROJECTS, AND

BARRISTERS' REPORTING SERVICE

1 CO-FUNDING LEVERAGE. THAT IS, US LEVERAGING OUR
2 MUSCLE OF WHAT WE'VE BEEN DOING SO FAR WITH SOME
3 PRIVATE FUNDING WHICH WOULD ENABLE US TO GET MANY
4 MORE OF THE TRANSLATIONAL PROJECTS THROUGH THE
5 PROGRAM.

6 THEY SAID THAT WE BASICALLY NEEDED A PILOT
7 TO DEMONSTRATE THAT WE CAN DO THIS AND THAT CIRM
8 REALLY ORGANIZES COMMITTED PRIVATE/PUBLIC PARTNERS
9 TO FUND PROJECTS PRESENTED BY DISEASE TEAM THEME
10 WITH NO FORMAL INTERMEDIARY, ANALOGOUS TO STRATEGIC
11 PARTNERSHIPS. SO WE NEEDED A PILOT PHASE TO SORT OF
12 ENABLE THIS. AND THEN A SCALE-UP PROCESS THAT
13 ALLOWS THE FOUNDATION, PROBABLY A 501(C)(3), HOLDING
14 AND MANAGE THE DISEASE TEAM FUNDING COMMITMENTS WITH
15 THE FUNDERS.

16 SO LET'S TAKE A LOOK AT HOW THAT MIGHT BE
17 ORGANIZED. SO YOU CAN SEE CIRM THERE ON THE
18 LEFT-HAND SIDE, AND THEN THERE'S THE FUNDING
19 PARTNERS, WHICH ARE THE PRIVATE ENTITIES. SO WE
20 DESCRIBE WHAT THEY MIGHT BE, DISEASE AND FAMILY
21 FOUNDATIONS, ETC. AND WE WOULD CONTRIBUTE TOGETHER
22 WITH A PRIVATE/PUBLIC FUND WHICH IS LOOKING AT
23 DISEASE AREAS, LET'S CALL THEM A, B, C, AND D. THE
24 REASON WHY WE PUT THEM IN THESE KIND OF BUCKETS IS
25 THE FOUNDATIONS WILL WANT TO FOCUS ON THEIR DISEASE

BARRISTERS' REPORTING SERVICE

1 AREA OF INTEREST. THEY DON'T WANT THE MONEY SPENT
2 ACROSS A WHOLE LOT OF THINGS THAT'S NOT THEIR
3 PRIORITIES. SO WE'LL HAVE TO GIVE THEM SOME WAY OF
4 BEING INTERESTED IN THE KIND OF PROJECTS THAT WE'RE
5 DOING FOR THEM; FOR EXAMPLE, DIABETES.

6 THEY WOULD NEED TO HAVE SOME KIND OF A
7 BOARD TO HELP THIS BECAUSE THE PRIVATE FUNDERS WILL
8 NOT JUST SORT OF DUMP MONEY INTO A GOVERNMENT FUND
9 SIMPLY AND JUST LEAVE IT THERE. THEY'LL WANT TO
10 HAVE SOME SAY. SO YOU WANT CIRM, YOU WANT THE
11 CO-FUNDERS WITH SOME INSIDE ACCESS, AND OUTSIDE
12 EXPERTS. AND THE FUNDING DECISIONS, EACH PARTY
13 MAKES THEIR OWN DECISIONS ON INDIVIDUAL MODEL
14 PROJECTS TO FUND. MAYBE MEMBERS PAY A FEE. IT
15 SEEMED TO BE OKAY GENERALLY HAVING A FEE TO BE IN
16 THERE. AND THEN CERTAIN FUNDER'S RIGHTS, WHATEVER
17 THEY MIGHT BE, TO NEGOTIATE RIGHT OF FIRST
18 NEGOTIATION, FOR EXAMPLE. SO THIS WOULD BE THE
19 STRUCTURE. THIS WOULD BE THE PREFERRED STRUCTURE
20 PERHAPS.

21 SO IF YOU LOOK AT THE OBJECTIVES HERE IN
22 THE NEW FUNDING, RAISE NONTAXPAYER FUNDS FROM
23 DIVERSE SOURCES TO LEVERAGE AND EXPAND CIRM PROJECT
24 DEVELOPMENT FROM THESE PRECLINICAL THROUGH TO THE
25 CLINICAL TRIALS. IN THE NEAR TERM INCREASE THE

BARRISTERS' REPORTING SERVICE

1 NUMBER OF IND PROJECTS BY DISEASE TEAM THAT REACH
2 PHASE II A-B. THAT'S THE NEAR TERM OBJECTIVE. THE
3 LONGER TERM IS THE POTENTIAL TO EXTEND CIRM'S
4 LIFETIME AND INCREASE PROSPECTS FOR CIRM-SPONSORED
5 RESEARCH TO BECOME THERAPIES THROUGH NEW VENTURE TO
6 THE BIOPHARMA RELATIONSHIPS.

7 AND THE DEVELOPMENT, A PLAN, DEVELOP AN
8 OPERATIONAL BUSINESS PLAN TO ENGAGE THE PARTNERS.
9 SO THAT'S SOMETHING THAT WE WOULD HAVE TO DO IF YOU
10 WERE IN AGREEMENT WITH IT. THERE WOULD BE A PILOT
11 PHASE WHERE CIRM SELECTS, SAY, FIVE TO TEN PROJECTS
12 WITH THE CIRM CONTRIBUTION, WHICH IS WHAT WE'RE
13 CONTRIBUTING CURRENTLY, TO ATTRACT, IF IT WAS FIVE
14 PROJECTS AND 50 MILLION, TO ATTRACT 50 MILLION PLUS
15 OF EXTERNAL PRIVATE FUNDS. THAT WOULD BE, IF YOU
16 LIKE, A PILOT PLAN TO SHOW THAT THIS COULD WORK.

17 TO ORGANIZE IT, CIRM CONVENES
18 PHARMACEUTICAL FIRMS AND FOUNDATIONS AROUND TARGETS
19 FOR CO-FUNDING TO TEST THIS PUBLIC/PRIVATE MODEL.
20 AND TO FORMALIZE IT, POSSIBLE CREATION OF A
21 501(C)(3) FOUNDATION BY THE THIRD PARTIES. AND THE
22 OPERATING FUNDING, CIRM MANAGES DEVELOPMENT OF NEW
23 PUBLIC/PRIVATE REGENERATIVE MEDICINE RESEARCH POOL
24 UNTIL THE POOL ADMINISTRATION CAN SELF-FUND AT LEAST
25 MINIMALLY WITH CIRM MANAGING AWARDS OF GRANTS TO

BARRISTERS' REPORTING SERVICE

1 PROJECTS.

2 SO ENABLING THE STRUCTURE TO ALLOW CIRM TO
3 OPERATE WITHIN THE STATUTE AND HOW CIRM IS ALLOWED
4 TO OPERATE, BUT GIVING THE PRIVATE SECTOR AN
5 OPPORTUNITY TO PARTICIPATE. SO THE IMPORTANCE, TO
6 READ THE QUOTES, AND I THINK YOU HAVE THEM THERE, IN
7 TERMS OF THE IMPORTANCE OF THIS FUND, THIS IS AN
8 IMPORTANT DIRECTION FOR CIRM TO TAKE AND EXPAND FROM
9 INDUSTRY. WE DON'T NOMINATE THE INDIVIDUALS. WE
10 DIDN'T THINK THAT WAS APPROPRIATE, BUT THESE ARE
11 PEOPLE THAT JIM AND HIS COLLEAGUES HAVE INTERVIEWED.
12 AND, OF COURSE, YOU MIGHT WANT TO INTERROGATE HIM
13 ABOUT SOME OF THESE COMMENTS.

14 A MULTIPHARMACEUTICAL FUND WITH
15 DISEASE-FOCUSED FOUNDATIONS FOCUSED ON CIRM'S
16 PROJECTS WITH SPECIFIC DISEASE TEAMS MAKES SENSE.
17 AND THE READINESS, WE'RE EAGER TO EXPLORE HOW WE CAN
18 PARTICIPATE IN THE CO-FUNDING. THAT'S INDUSTRY.
19 MOST FOUNDATIONS WERE INTERESTED IN HOW CIRM FUNDS
20 COULD LEVERAGE FOUNDATION DOLLARS FROM FOUNDATIONS.

21 ANOTHER, WE BELIEVE IN COLLABORATIVE
22 FUNDING OF RESEARCH. THE TERMS, WE ONLY ASK THE
23 REPAYMENT OF GRANTS FROM FINANCIAL WINDFALLS. THERE
24 IS, HOWEVER, A TREND IN FOUNDATIONS SEEKING SOME
25 RETURN, AGAIN FROM FOUNDATIONS. FROM THE INDUSTRY,

BARRISTERS' REPORTING SERVICE

1 PRIMARILY INTERESTED IN ACCESSING INNOVATION
2 PROBABLY WITH THE RIGHT OF FIRST NEGOTIATION.

3 SO THE CRITICAL RESOURCES FOR BUILDING
4 THIS PARTICULAR FUND, WHICH I THINK IS KEY IF YOU
5 REALLY WANT TO DRAW THIS IN, IS YOU NEED -- I THINK
6 YOU NEED A CHAMPION. IT NEEDS A CHAMPION WITH
7 EXPERIENCE, SCIENTIFIC KNOWLEDGE, AND HIGH LEVEL
8 BUSINESS CONTRACTS AND ACUMEN TO ATTRACT POTENTIAL
9 FUNDING PARTNERS. THAT IS THE MAJOR BIOTECH AND
10 PHARMACEUTICAL AND THE FOUNDATION AND ANGEL
11 INVESTORS. AND IN MY TIME IN DOING THAT, I WOULD
12 THINK I COULD DO THIS IF I TOOK IT ON AS A FULL-TIME
13 JOB. IT'S NOT A PART-TIME JOB TO DO THIS, AND YOU
14 NEED TO FIND SOMEBODY WHO'S REALLY WILLING TO OPEN
15 THOSE DOORS AND TO GET THESE PEOPLE TO ENTER THIS
16 ARENA.

17 YOU NEED TO HARNESS THE INTERNAL SUPPORT
18 THAT WE'VE GOT DEVELOPED HERE, THE CIRM BUSINESS
19 UNIT WITH ELONA AND HER TEAM AND WITH THE SCIENCE
20 OFFICE, ELLEN FEIGAL AND PAT OLSON AND THE TEAM,
21 AND, OF COURSE, THE PATIENT ADVOCATES. THESE ARE
22 ALL GOING TO BE REALLY CRITICAL FOR DOING THIS. A
23 NEW PRESIDENT, PERHAPS THE RECRUITMENT NEEDS TO
24 ENHANCE THE ABILITY TO REACH POTENTIAL CO-FUNDER
25 PARTNERS BECAUSE YOU NEED TO BE ABLE TO KNOCK ON THE

BARRISTERS' REPORTING SERVICE

1 DOOR, GET THE DOOR TO OPEN. IF YOU CAN'T, YOU'VE
2 GOT A PROBLEM. YOU'VE EITHER GOT TO HAVE A CHAMPION
3 TO DO THAT OR MAYBE THE NEW PRESIDENT MIGHT DO THAT.

4 THE CHAIR AND THE MEMBERS OF THE BOARD ARE
5 CRUCIAL, AGAIN, IN BUILDING THE PARTNERSHIP LINKS.
6 THEY'RE GOING TO HAVE TO BE INVOLVED IN THIS. AND
7 THEN THE BUSINESS ADVISORS AND OTHER NETWORKS AROUND
8 US, THE LEADERS WHO ARE WILLING TO CO-CHAMPION
9 CIRM'S MISSION. SO IT'S GOING TO TAKE ALL OF THAT.
10 AND IF YOU DON'T HAVE IT, YOU WON'T GET IT IN MY
11 MIND. AND I THINK THAT'S PROBABLY WHAT JIM THINKS.
12 THIS IS MY PARTICULAR SLIDE SAYING THAT IF YOU ARE
13 GOING TO DO THIS, YOU REALLY NEED TO HAVE THAT
14 RESOURCE CAPACITY TO DO IT.

15 THERE ARE PLENTY OF REASONABLE EXAMPLES
16 OUT THERE. SYNCONIA IS THE WELLCOME TRUST ONE,
17 WHICH IS 200 MILLION. I MET WITH THEM JUST A LITTLE
18 WHILE AGO, AND THEY'VE GOT CAPACITY TO GO TO ONE
19 BILLION POUNDS. SO THIS IS ONE OF THESE KIND OF
20 ORGANIZATIONS. ISRAEL LIFE SCIENCES FUND, THE
21 GOVERNMENT TAKES LP WITH VENTURE FUNDS HAVING
22 FAVORED POSITION. THE MASSACHUSETTS LIFE SCIENCE
23 CENTER, IT LEVERAGES 1.2 BILLION FROM CORPORATIONS,
24 FOUNDATIONS, INSTITUTES, NIH, AND UNIVERSITIES. THE
25 ROCHE COLLABORATIVE START-UPS, ROCHE QB III, MISSION

BARRISTERS' REPORTING SERVICE

1 BAY CAPITAL WITH SEED STAGE FOCUS, ANOTHER EXAMPLE
2 HERE. THE ATLAS NOVARTIS AMGEN GROUP, PRIVATE
3 SYNDICATED FUNDING OF TRANSLATIONAL RESEARCH-BASED
4 START-UPS AT KEY UNIVERSITY CENTERS. NOT TRUE
5 PUBLIC/PRIVATE RECOGNIZED.

6 SO THE SECOND PART, THE SECOND PART, SO
7 YOU NEED A FUND. THE SECOND PART IS TO BE ABLE TO
8 ACCELERATE THOSE PROJECTS ALONG THAT PROGRAM. WE'VE
9 BEEN TALKING ABOUT THAT EARLIER TODAY. CIRM REALLY
10 NEEDS TO PROVIDE AN INTEGRATED SET OF CENTRALIZED
11 SERVICES AND TEAMS OF SELECTED EXTERNAL EXPERTS TO
12 GUIDE CIRM PROJECTS STEP BY STEP TO ACHIEVE
13 COMMERCIAL READINESS. YOU REALLY HAVE TO HELP THEM.
14 AND I THINK THIS IS AN EXPANSION OF WHAT ELLEN IS
15 CURRENTLY DOING. I SUPPORT WHAT SHE'S DOING VERY
16 STRONGLY. I THINK IF IT LEVERS IT UP, SHE'LL
17 ACCELERATE MORE OF THESE GROUPS THROUGH, ELLEN AND
18 ALL THE SCIENCE COLLEAGUES. I DON'T MEAN ELLEN BY
19 HERSELF, BUT THIS TEAM IS BUILDING THE CAPACITY TO
20 DO THAT.

21 NOW, WE HAVE A PILOT WHICH IS REALLY THOSE
22 SIX TO EIGHT PROJECTS CAN BE THE PILOT. CAN WE
23 SHIFT THOSE QUICKLY ALONG THIS SORT OF TRACK? THAT
24 WOULD BE A GOOD PILOT FOR THIS ACCELERATOR. AND THE
25 SCALE-UP, YOU'VE GOT 90 PROJECTS. SO YOU'RE GOING

BARRISTERS' REPORTING SERVICE

1 TO HAVE TO SCALE IT UP AT SOME POINT. AND THIS
2 COULD BE A SOURCE OF SOME OF THE FUNDINGS FROM THAT
3 FUND, THAT THEY WOULD GET IN AND THEY WOULD HELP
4 ACCELERATE THAT. THAT'S IN THEIR INTEREST TO
5 ACCELERATE THEM ALONG THAT PROGRAM.

6 SO THE FUND, REALLY YOU NEED TO SECURE
7 FUNDING OF ADVANCED PROJECTS FROM PRE-IND THROUGH TO
8 PHASE I AND II, PROVIDE THE DIRECT SERVICES TO EVERY
9 PROJECT THROUGH EACH MILESTONE. SO THIS WILL REALLY
10 HELP THEM MOVE ALONG THIS PROGRAM AND ATTRACT
11 FURTHER FUNDING, LICENSING, AND INVESTMENT. THAT'S
12 WHAT THE ACCELERATOR REALLY IS. WHEN YOU LOOK AT
13 IT, THERE'S AN INTERNAL COMPONENT, A LOCAL
14 COMPONENT, WHICH IS PROBABLY LINKING CIRM PROJECTS
15 TO ACCESSIBLE BUSINESS, TECHNICAL, AND LABORATORY
16 SERVICES, COLLABORATING WITH NONPROFIT ACCELERATORS
17 THAT ARE ALREADY IN UNIVERSITIES IN CALIFORNIA, SO
18 HELP USE THOSE ACCELERATORS TO HELP WHAT WE'RE
19 DOING. AND THEN NATIONALLY TO ENGAGE EXPERTISE AND
20 SERVICES TO BUILD PROJECT READINESS, ARRANGE
21 LICENSING AND COLLABORATION AGREEMENTS WITH A
22 BIOPHARMACEUTICAL PARTNER SO THAT YOU GET PARTNERED
23 WITH VENTURE-BACKED ACCELERATORS AND EARLY STAGE
24 VENTURE CAPITAL FIRMS.

25 SO YOU CAN SEE IF YOU MOVE THIS DOWN THE

BARRISTERS' REPORTING SERVICE

1 TRACK, YOU WILL ACCELERATE THOSE PROJECTS. AND YOU
2 CAN SEE THAT THE PROGRAM AS SET OUT REALLY HAS A
3 CIRM CENTRALIZED CAPACITY, A CIRM ACCELERATOR TEAM,
4 AND YOU MIGHT WANT TO BLEND THAT TOGETHER, AND THEN
5 EXTERNAL COMMERCIALIZATION SERVICES. SO REALLY GET
6 THE EXPERIENCE THAT'S OUT THERE AND THAT'S WILLING
7 TO HELP US MOVE THESE PROJECTS ALONG THE PROGRAM.

8 SO THE QUOTES, THIS IS A FUNDAMENTAL NEED.
9 THERE'S NEED TO JUMP OVER THE VALLEY OF DEATH. THAT
10 WOULD BE A GOOD IDEA. CIRM NEEDS TO PICK AND FOCUS
11 ON SUCCESSES TO SUSTAIN OPERATIONS. CREATING POOLS
12 OF FUNDS TO DERISK REGENERATIVE MEDICINE PROJECTS
13 WILL THEN MAKE SENSE TO INVESTORS AND INDUSTRY. OUR
14 FOUNDATION DOES IT NOW, PROVIDING READINESS
15 SERVICES. THERE ARE STEPS. COMPANIES AND CORPORATE
16 VENTURE FUNDS MAY CONSIDER PARTICIPATING. READY TO
17 EXPLORE THIS WITH CIRM, SOME FOUNDATION. WE'RE NOW
18 READY AND WE'RE READY NOW WITH CIRM, ANOTHER
19 FOUNDATION. IF OUR CORPORATE VENTURE PARTICIPATES,
20 WOULD EXPECT CONVENTIONAL TERMS FROM THE INDUSTRY.
21 ACCESS TO NONDILUTED FUNDS FOR PROJECTS CAN ATTRACT
22 PARTICIPATION. AND THAT IS FOR CERTAIN. OPEN UP
23 MANY AGREEMENTS FROM A FOUNDATION. IF YOU'RE ABLE
24 TO DO THAT, YOU WILL ATTRACT INVESTMENT AS A
25 PRIORITY.

BARRISTERS' REPORTING SERVICE

1 SO IN TERMS OF THE LAST ONE, CIRM IN A
2 PRECOMPETITIVE R & D PROGRAM, THE PLAN HERE IS TO
3 BUILD ON THE HISTORY OF WHAT WE'VE BEEN DOING WITH
4 THE UNIVERSITIES AND INDUSTRY TO FUND R & D PROGRAMS
5 ON CHALLENGES THAT ARE BARRIERS TO THE DELIVERY OF
6 BENEFITS FOR PATIENTS FROM TOOLS, BIOMARKERS, TO
7 FINANCE, REIMBURSEMENT MODELS. SO THE PILOT REALLY
8 MEANS THAT CIRM OUGHT TO ORGANIZE, DEVELOP, AND
9 MATCH FUNDS AND MANAGE ONE OR MORE NATIONALLY
10 SYNDICATED COLLABORATIVE R & D PROJECTS WITH
11 PHARMACEUTICAL, HEALTH INSURANCE, AND GOVERNMENT
12 WITH RFA TO UNIVERSITY AND PRIVATE PROVIDERS TO
13 DELIVER ANALYSIS OF SHARED RESULTS. THAT SEEMS A
14 NO-BRAINER TO ME THAT WE SHOULD DO THAT. IT WILL
15 COST STAFF TIME TO DO IT, BUT IT'S A CRITICAL THING,
16 I THINK, TO DO.

17 THE SCALE-UP IS TO CONTINUE AND EXPAND
18 THAT SELF-FINANCING FROM PRECOMPETITIVE R & D WHICH
19 IS BUILDING STRONG RELATIONS WITH PUBLIC AND PRIVATE
20 STAKEHOLDERS, GROWING CIRM'S VISIBILITY, WHICH I
21 THINK IS CRITICAL, AND THE DIFFUSION OF SOLUTIONS
22 THERE. SO YOU MIGHT HAVE THIS AS A WAY OF DOING
23 THAT PRECOMPETITIVE R & D. MIGHT BE IN TERMS OF
24 REGULATION, ASSAYS, CLINICAL PROTOCOLS, SCALE
25 MANUFACTURING. THE CLINICAL PROTOCOLS WILL PROBABLY

BARRISTERS' REPORTING SERVICE

1 BE DELIVERED THROUGH THE ALPHA CLINIC SYSTEMS IF
2 THEY GET FUNDED. AND THEN REIMBURSEMENT, WHICH IS A
3 PRETTY BIG IMPORTANT ISSUE WHICH WE REALLY DON'T
4 SPEND ANY TIME ON AND WE SHOULD. AT SOME POINT WE
5 SHOULD.

6 SO YOU COULD FRAME THOSE KIND OF THINGS,
7 THE PRECOMPETITIVE ELEMENTS, AND MAKE SURE THAT YOU
8 BRING IN FUNDS THAT WOULD HELP SOLVE THOSE. IT
9 SEEMS LIKE SOMETHING THAT PEOPLE WOULD BE WILLING TO
10 DO. SO THE QUOTES THERE ARE VERY IMPORTANT. VERY
11 CONCERNED, FIRST, WITH IMPROVING MANAGEMENT OF
12 RESEARCH AND CLINICAL TRIALS SO THE RIGHT DATA IS
13 READY FOR PHARMACEUTICAL INDUSTRY EARLY ON. SO
14 THAT'S FROM INDUSTRY. YES, PROCOMPETITIVE R & D IS
15 IMPORTANT, AND OUR FIRM BELIEVES IN COLLABORATIVE
16 PROCESSES AND IN THINKING ABOUT THE BROADER
17 PROCESSES FROM THE STAFF TO PATIENTS AND
18 SYNDICATION. AGAIN, FROM INDUSTRY. OUR COMPANY
19 BELIEVES IN AND ACTIVELY PROMOTES COLLABORATIVE
20 PROJECTS. AGAIN FROM INDUSTRY. THE FOUNDATION
21 BELIEVES THERE ARE PRECOMPETITIVE ELEMENTS THAT
22 COULD BE DONE AROUND VERY CORE ISSUES, SUCH AS
23 QUALITY ASSURANCE, STANDARDS, AND MANUFACTURING.

24 SO WE'RE READY TO EXPLORE SPECIFIC
25 COLLABORATIVE PROJECTS ON PRECOMPETITIVE ISSUES.

BARRISTERS' REPORTING SERVICE

1 INDUSTRY AGAIN. THIS FOUNDATION IS ACTIVE AND
2 PARTICIPATES IN COLLABORATIVE PROJECTS WITH
3 PARTNERS, PRIMARILY PHARMACEUTICAL COMPANIES. FROM
4 A FOUNDATION. THIS FOUNDATION HAS THREE-DAY
5 CONSORTIUM MEETINGS ON SPINAL CORD ISSUES.

6 THERE'S A NEED TO STEWARDSHIP THAT PERHAPS
7 CIRM CAN FORMALLY PLAY IN THE TERMS. NO SPECIFIC
8 TERMS OTHER THAN THE RIGHT TO NEGOTIATION ON IP
9 ARISING FROM PRECOMPETITIVE PROJECTS. SO THESE ARE
10 STRONGLY SUPPORTIVE.

11 SO IN TERMS OF A SUMMARY, YOU'VE GOT
12 CHOICES. EACH OF THESE THREE KEY RECOMMENDATION
13 ACTIONS FOR ACHIEVING CONTINUED CIRM OPERATION AND
14 INNOVATION HAS VALUE, ALL THREE OF THEM. I THINK
15 THE FUND IS REALLY CRITICAL. YOU DON'T WANT TO
16 LEAVE YOUR TRANSLATIONAL PROJECTS HANGING AT THE
17 FENCE. BECAUSE IF YOU AREN'T GOING TO GENERATE SOME
18 ADDITIONAL MONEY, THAT IS SURELY GOING TO BE THE
19 CASE.

20 THE ACTIONS PROPOSED, LEVERAGE IS EXISTING
21 CIRM CAPABILITIES, THEIR EXPERTISE, RELATIONSHIP
22 NETWORKS, PROJECTS AND FUNDING, THESE WILL BE
23 INTEGRATED. SO WE CAN EASILY INTEGRATE IF THIS IS
24 IN YOUR INTEREST. TO IMPLEMENT PROPOSED PILOTS THAT
25 WILL DELIVER PROOF OF CONCEPT AND SCALABLE RESULTS.

BARRISTERS' REPORTING SERVICE

1 WE NEED TO -- IT'S REASONABLE THAT WE CHECK IT OUT
2 IN PILOT SO YOU FEEL COMFORTABLE THAT WE'RE ABLE TO
3 ACHIEVE THESE THINGS.

4 THE OUTLOOK, CIRM CONTINUES TO SERVE AS A
5 CATALYTIC ENGINE FOR THE EMERGING FIELD NO MATTER
6 WHAT. LEVERS PUBLIC/PRIVATE RESOURCES TO GROW
7 CRITICAL MASS FOR REGENERATIVE MEDICINE AND
8 DEVELOPMENT AND MOVES THE INNOVATION TO CLINICS,
9 PATIENTS, AND ENTERPRISE IN CALIFORNIA AND GLOBALLY.

10 SO IF IT'S AGREEABLE, WE HAVE TO THINK
11 ABOUT WHAT WE DO DOWNSTREAM. YOU HAVE TO THINK
12 ABOUT WHETHER THIS IS THE RIGHT APPROACH. THE IDEA
13 OF ME GETTING YOU A REPORT IS FOR YOU TO BE ABLE TO
14 CONSIDER WHETHER THIS APPROACH IS A WORTHWHILE
15 THING. YOU HAVE TO DECIDE THAT. WE WOULD HAVE TO
16 PREPARE AN OPERATIONAL PLAN THAT WILL TAKE THREE OR
17 FOUR MONTHS, AND WE NEED TO BE ABLE TO EXECUTE ON AN
18 OPERATIONAL PLAN, WHICH WILL TAKE 12 MONTHS TO DO.
19 SO THESE THINGS NEED TO BE DONE SOON, I SUGGEST, IN
20 ORDER TO TAKE CARE OF THIS.

21 NOW, THIS IS MY PRESENTATION OR OUR
22 PRESENTATION. I'M GOING TO ASK JIM TO JOIN ME SO
23 THAT YOU CAN ASK HIM QUESTIONS ABOUT THIS OR ME
24 BECAUSE HE'S DONE A LOT OF WORK, HE AND HIS
25 COLLEAGUES, IN LOOKING AT THE REAL WHEELS ON THE

BARRISTERS' REPORTING SERVICE

1 WAGON. AND I THINK HE DESERVES TO BE HEARD WELL
2 BEYOND ME. BUT I FELT AS PRESIDENT THIS IS AN
3 OBLIGATION THAT I GAVE TO YOU TO DELIVER SOMETHING
4 THAT YOU MIGHT BE ABLE TO CONSIDER IN THE ADVENT
5 THAT IT COULD BE TOUGH TIMES DOWNSTREAM FOR
6 ADDITIONAL MONEY. BUT EVEN IF IT WASN'T, I THINK IT
7 WOULD BE A GOOD THING TO DO TO ENCOURAGE THE PRIVATE
8 SECTOR TO JOIN US. AND I JUST THINK IT'S PROBABLY
9 THE TIME.

10 SO OVER TO YOU, CHAIR, AND PLEASE LET US
11 KNOW WHAT YOU WOULD LIKE TO KNOW.

12 CHAIRMAN THOMAS: COMMENTS FROM MEMBERS OF
13 THE BOARD. START WITH SENATOR TORRES AND MOVE ON
14 TO --

15 MR. TORRES: I NEED TO LET THE BOARD KNOW
16 FOR TRANSPARENCY PURPOSES THAT I OPPOSED THE
17 EXPENDITURE OF 98,000 TO CREATE THIS REPORT. AND
18 THE REASON I DID SO WAS BECAUSE WHEN WE RESPONDED AS
19 A BOARD TO THE INSTITUTE OF MEDICINE, WE SAID VERY
20 SPECIFICALLY THAT THE CHAIR IS RESPONSIBLE FOR
21 SUSTAINABILITY OF THIS ORGANIZATION. I HAVEN'T
22 REMOVED MYSELF FROM THAT. AND IF WE CHANGE OUR
23 POSITION, WE NEED TO ADVISE THE IOM THAT WE HAVE
24 CHANGED OUR POSITION, NO. 1.

25 NO. 2, WE HAVE A VERY HIGH POWERED STAFF

BARRISTERS' REPORTING SERVICE

1 AS HEAD OF THE ECONOMIC DEVELOPMENT FOR OUR AGENCY.
2 THEY'RE THE ONES THAT SHOULD HAVE BEEN PREPARING A
3 REPORT -- NO OFFENSE TO YOU, MR. GOLLUB -- NOT AN
4 OUTSIDE CONSULTANT. AND NOW WE'RE SEEING THAT -- I
5 DON'T KNOW WHO THE CHAMPION THAT YOU HAVE
6 ENVISIONED. I THOUGHT I HEARD YOU SAY YOU HAD
7 YOURSELF ENVISIONED. SO THE CHAMPION ON THIS ISSUE
8 NEEDS TO BE THE CHAIR OF THIS BOARD BECAUSE THAT'S
9 WHAT WE TOLD THE IOM WAS THE CASE.

10 AND SO WE NEED TO GIVE -- IN MY OPINION,
11 THIS WHOLE ISSUE OUGHT TO BE TABLED AND TAKEN UP
12 AGAIN WHEN WE HAVE A NEW PRESIDENT. BUT AT THE END
13 OF THE DAY, WE NEED TO HAVE CONFIDENCE IN THE CHAIR
14 TO CONTINUE HIS EFFORTS TO MOVE TOWARD
15 SUSTAINABILITY. AND WHEN I SEE THIS REPORT, AN
16 OPERATIONAL PILOT, ANOTHER THREE, FOUR MONTHS, THAT
17 TRANSLATES TO ME MORE EXPENDITURE, YET WE HAVE
18 ECONOMIC DEVELOPMENT STAFF THAT'S DOING A PRETTY
19 GOOD JOB, I THINK, THAT WE OUGHT TO RELY UPON. IF
20 NOT, THEN WHY DO WE HAVE THEM, NO. 1.

21 NO. 2, THE EXECUTION OF A PLAN IS GOING TO
22 TAKE 12 MONTHS. WELL, THAT'S ALL RIGHT. IT'S GOING
23 TO TAKE 12 MONTHS. BUT AT THE END OF THE DAY, WHAT
24 I FIND PARTICULARLY OFFENSIVE, AT LEAST TO ME AS A
25 BOARD MEMBER, IS THAT NONE OF THE PATIENT ADVOCATES

BARRISTERS' REPORTING SERVICE

1 WERE INVOLVED IN THESE DISCUSSIONS. NONE OF US WHO
2 ARE PATIENT ADVOCATES ON THE BOARD WERE EVEN ASKED
3 OUR OPINION UNTIL NOW WE RECEIVE THIS BLANK
4 DOCUMENT, NOT BLANK, BUT THIS DOCUMENT OR AN
5 ADDITIONAL WHITE PAPER. AND YET IF YOU LOOK DOWN ON
6 THE ISSUE, CRITICAL RESOURCES FOR BUILDING THIS
7 FUND, AS CHAIR AND MEMBERS OF THE BOARD, WE'RE
8 ALMOST AT THE END. WE'RE ALMOST AT THE END.
9 THERE'S A CHAMPION AT THE TOP, AND I DON'T KNOW WHO
10 THAT PERSON MIGHT BE OR HOW THEY MAY BE HIRED AND
11 WHAT WOULD THAT COST US. THEN WE'RE ASKED TO BRING
12 50 MILLION. THE DISCUSSION WE HAD ALL DAY TODAY WAS
13 HOW TO SAVE MONEY. NOW WE'RE GOING TO BOOK 50
14 MILLION FORWARD AND HOPEFULLY SOMEBODY WILL COME TO
15 THE FOREFRONT AND SAY HERE'S ANOTHER 50. NOW WE'RE
16 FINE. WE'VE MATCHED IT. WELL, THAT MATCHING HAS TO
17 TAKE ON A RESPONSIBILITY THAT IS EMBUED
18 CONSTITUTIONALLY WITH THE CHAIRMAN OF THIS BOARD.

19 I THINK THIS ISSUE, WHETHER IT'S WORTHY OR
20 NOT, I'M NOT GOING TO MAKE AN ASSESSMENT ON THAT
21 MATTER, BUT I DO BELIEVE THAT A NEW PRESIDENT NEEDS
22 TO LOOK AT THIS RATHER THAN US DEALING WITH IT TODAY
23 SO THAT ONCE WE GET A NEW PRESIDENT, LET'S FIND OUT
24 WHAT THAT NEW PRESIDENT IS GOING TO DO TO HELP THE
25 CHAIRMAN, WHO HAS BEEN IMBUED WITH THE

BARRISTERS' REPORTING SERVICE

1 RESPONSIBILITY OF SUSTAINABILITY BY OUR BOARD
2 PREVIOUSLY AND BY IMPLICATION WITHIN THE
3 CONSTITUTION OF THE STATE OF CALIFORNIA. THIS
4 CHAIRMAN IS SUPPOSED TO BE ABSOLUTELY EXPERTISE IN
5 BOND FINANCING, ABSOLUTELY EXPERTISE IN SUSTAINING
6 THIS ORGANIZATION. AND I FEEL THAT BY SPENDING MORE
7 STATE MONEY TO CREATE ANOTHER POSITION, DO ANOTHER
8 REPORT, AND YET WE'RE SPENDING STATE MONEY FOR AN
9 EXCELLENT ECONOMIC DEVELOPMENT STAFF THAT SHOULD
10 HAVE BEEN DOING THIS IN THE FIRST PLACE.

11 DR. FINE: THE ARGUMENT AS PRESENTED, IF
12 IT WOULD WORK, CLEARLY MAKES SENSE FOR CIRM
13 NOTWITHSTANDING THE IMPORTANT COMMENTS THAT HAVE
14 JUST BEEN MADE. THE SINGLE BIGGEST PARTNER ON THE
15 OTHER SIDE WOULD PRESUMABLY BE THE PHARMACEUTICAL
16 INDUSTRY JUST IN TERMS OF SHEAR WEIGHT AND NUMBERS.
17 AND IT'S NOT INTUITIVE TO ME AS TO WHY A
18 PHARMACEUTICAL COMPANY WOULD WANT TO ENTER INTO A
19 PARTNERSHIP LIKE THIS. IN OTHER WORDS, IF THEY
20 WANTED TO PROTECT OR CREATE A PIPELINE FOR A
21 PARTICULAR DRUG, SURELY IT WOULD BE FAR MORE FRUGAL
22 FOR THEM TO GO DIRECTLY TO A PERSON WITH IDEAS AND
23 THE ABILITY TO DO STUDIES WITHOUT HAVING TO FUND A
24 WHOLE INFRASTRUCTURE OF AN ORGANIZATION TO SUSTAIN
25 THAT PERSON.

BARRISTERS' REPORTING SERVICE

1 SO IF YOU COULD JUST HELP ME THROUGH THAT
2 SIDE OF THE ARGUMENT, BUT PUTTING YOURSELF IN THE
3 SEAT OF THE CEO OF THE PHARMACEUTICAL COMPANY, WHAT
4 WOULD THAT PERSON BE THINKING AND SAYING AS TO WHY
5 HE WOULD PERSUADE HIS BOARD TO GET INVOLVED WITH
6 CIRM? DON'T QUITE GET IT.

7 MR. GOLLUB: THE BIG PHARMA ARE
8 OUTSOURCING DRAMATICALLY. THEY ARE GIVING MONEY
9 TO -- THE BIG PHARMACEUTICAL COMPANIES ARE
10 OUTSOURCING A TREMENDOUS AMOUNT OF THEIR R & D.
11 THEY'RE DOING IT IN MANY DIFFERENT WAYS AND THROUGH
12 COLLABORATIVE PARTNERSHIPS IS A VERY BIG ONE, AND
13 THEY LIKE THE IDEA OF SITTING DOWN WITH PEOPLE WHO
14 HAVE LIKEWISE INTEREST TO LEVERAGE THE AMOUNT OF
15 MONEY THEY WOULD SPEND. SO THEY WOULD SIT DOWN AND
16 CO-FUND A PRECLINICAL OR A CLINICAL TRIALS PROJECT
17 WITH OTHER PARTNERS. SIMPLE AS THAT.

18 SOME OF THEM ARE MORE INTERESTED IN
19 PRECLINICAL. SOME ARE MORE INTERESTED IN POST.
20 IT'S REALLY THAT THE WORLD OF PHARMACEUTICALS HAS
21 CHANGED DRAMATICALLY. AND YOU CAN SEE FROM SOME OF
22 THE EXAMPLES AND THERE'S MANY OTHERS THAT THEY ARE
23 OUTSOURCING AND COLLABORATING IN A WAY THAT IS
24 EXPANDING EVERY DAY. SO THEY'RE INTERESTED IN
25 GETTING ACCESS TO CIRM'S SPONSORED PROJECTS AND

BARRISTERS' REPORTING SERVICE

1 LEVERAGING FUNDING OF CIRM AND OTHER SPONSORS
2 BECAUSE IT MINIMIZES THEIR COST, BUT GIVES THEM
3 CLOSE INTIMACY. IF THEY DID IT BY THEMSELVES, THE
4 PRICE WOULD BE FOUR OR FIVE TIMES HIGHER, AND IT
5 WOULD ALSO BE WITHOUT THE NECESSARY, I WANT TO CALL
6 IT, LEADERSHIP ACCESS.

7 DR. TROUNSON: SO IN THE ABSENCE OF THE
8 CHAIR SAYING ANYTHING ABOUT THE DEPUTY CHAIR'S
9 ATTACK ON ME, WE ACTUALLY PUT --

10 MR. TORRES: IT WAS NOT AN ATTACK.

11 DR. TROUNSON: WE ACTUALLY PUT THE
12 GOALS -- I PUT THE GOALS FORWARD --

13 MR. TORRES: THAT WAS NOT AN ATTACK ON
14 YOU.

15 DR. TROUNSON: -- A YEAR AND A HALF AGO.
16 WOULD YOU LET ME FINISH? A YEAR AND A HALF AGO I
17 PRESENTED TO THE BOARD THE GOALS. THIS WAS GOAL NO.
18 2. I WAS EXPECTED TO PERFORM TO MY GOALS. THE
19 CHAIR HAS BEEN IN EVERY SESSION OF THIS. AND SO HAS
20 AT LEAST TWO OTHER BOARD MEMBERS, AND DUANE ROTH WAS
21 BEFORE HIS UNTIMELY DEATH. SO THIS GROUP OF PEOPLE
22 HAVE BEEN USHERING THIS PROCESS. I THINK THAT'S
23 COMPLETELY REASONABLE. IF YOU THINK IT'S
24 UNREASONABLE, ART, YOU HAD PLENTY OF OPPORTUNITY TO
25 MAKE THOSE COMMENTS TO ME AT SOME POINT IN TIME OR

BARRISTERS' REPORTING SERVICE

1 TO THE CHAIR. YOU DIDN'T DO THAT. THE CHAIR HAS
2 BEEN INVOLVED WITH ALL OF THESE DISCUSSIONS. HE'S
3 BEEN TO EVERY MEETING. I THINK -- I DON'T THINK HE
4 MISSED A MEETING. THE OTHER MEMBERS OF THE BOARD
5 WERE AT MANY OF THE MEETINGS.

6 SO I ACTUALLY DON'T WANT TO FEEL BAD ABOUT
7 PRESENTING YOU SOMETHING WHICH I PUT FORWARD A YEAR
8 AND A HALF AGO IN THE GOALS, AS I WAS ASKED TO DO,
9 MY 12 MONTHS GOALS, AS SOMETHING THAT YOU MIGHT BE
10 ABLE TO CONSIDER. IT'S NOT THAT I WANT TO DO THIS.
11 I'VE ALREADY SAID I'M LEAVING THE ORGANIZATION. WE
12 DID IT TO PRODUCE A DOCUMENT FOR YOU TO AT LEAST
13 HAVE SOMETHING TO THINK ABOUT.

14 AND WE PUT LOTS OF ENERGY INTO TRYING TO
15 GET THAT REASONABLY DONE. I THINK JON HAS BEEN
16 INVOLVED WITH IT AS MUCH AS HE REALLY WANTED TO. IF
17 HE WANTS TO TAKE IT FORWARD, THAT'S PERFECTLY GOOD.
18 IF HE DOESN'T WANT TO TAKE IT OR YOU DON'T TAKE IT
19 FORWARD, YOU'VE GOT THE REPORT. THAT SEEMS
20 COMPLETELY REASONABLE TO ME.

21 MR. TORRES: MR. CHAIRMAN, DR. TROUNSON, I
22 DID NOT ATTACK YOU AND I DID NOT OFFEND YOU. I
23 DISAGREED WITH THIS REPORT, AND I HAVE EVERY RIGHT
24 TO DO SO. AND I WAS NOT PERSONAL TO YOU, NOR DO I
25 INTEND TO BE, NOR HAVE I REALLY BEEN IN THE PAST,

BARRISTERS' REPORTING SERVICE

1 QUITE FRANKLY, BUT TOTALLY SUPPORTIVE OF YOU.

2 MR. SHEEHY: SO I THINK I'VE BEEN
3 RECOGNIZED. AND I WANT TO THANK DR. TROUNSON FOR
4 THE REPORT AND ALSO SENATOR TORRES FOR HIS COMMENTS.
5 I THINK IT'S BEEN A LONG DAY. AND CLEARLY, I THINK
6 THE KEY ELEMENT HERE IS THAT WE'RE IN TRANSITION,
7 AND I HAVE ABSOLUTE FAITH IN THE CHAIR. SO I WOULD
8 LIKE TO MAKE THE MOTION. I THINK, AS DR. TROUNSON
9 HAS SUGGESTED, THIS IS NOW IN FRONT OF THE CHAIR.
10 SO I WOULD LIKE TO TABLE THIS REPORT, SUSPEND ALL
11 ACTION ON IT AND ANY EXPENDITURE RELEVANT TO THIS
12 REPORT PENDING AN AGENDA ITEM THAT IS DEVELOPED AT
13 HIS DISCRETION AND BROUGHT TO THE BOARD BY THE
14 CHAIR. SO BASICALLY WE'VE GOT IT. LET'S PUT IT IN
15 THE HANDS OF THE CHAIR. AND I DON'T SEE ANY REASON
16 TO REALLY CHEW ON THIS AGAIN UNTIL THE CHAIR WANTS
17 TO BRING IT BACK TO US IF HE DECIDES HE WANTS TO
18 BRING IT BACK TO US, BUT I WANT TO LEAVE THIS
19 TOTALLY TO THE DISCRETION OF THE CHAIR BECAUSE IT IS
20 MY STRONG BELIEF THAT THIS IS A CORE RESPONSIBILITY
21 OF THE CHAIR, AND I HAVE FAITH IN HIS ABILITY TO
22 EXECUTE THIS. AND THAT'S IN THE FORM OF A MOTION.

23 DR. STEWARD: SECOND.

24 MS. WINOKUR: SECOND THE MOTION.

25 CHAIRMAN THOMAS: LET'S HAVE SOME

BARRISTERS' REPORTING SERVICE

1 DISCUSSION ON THE MOTION.

2 MR. TORRES: THERE'S NO DISCUSSION ON A
3 MOTION TO TABLE.

4 MR. SHEEHY: WE HAVE AN ITEM UNDER
5 CONSIDERATION.

6 DR. PRIETO: I THINK WE HAVE A MOTION TO
7 DEFER CONSIDERATION, BUT I'D LIKE TO ADDRESS THE
8 MERITS. THAT SEEMS LIKE A REASONABLE APPROACH TO ME
9 TO LOOK AT THIS. WE HAVE A PROPOSAL BEFORE US. I
10 THINK THE BASIC QUESTION BEFORE US IS HOW DO WE
11 LEVERAGE OUR REMAINING MONEY? HOW DO WE CREATE THE
12 KIND OF PUBLIC/PRIVATE PARTNERSHIPS OR OTHER
13 MECHANISMS TO CONTINUE THE WORK OF THE AGENCY AND
14 CONTINUE PUSHING STEM CELL RESEARCH FORWARD? I
15 THINK THIS IS ONE MECHANISM TO DO THAT. NEEDS TO BE
16 LOOKED AT AND CONSIDERED. SO I WOULD SUPPORT THE
17 MOTION.

18 CHAIRMAN THOMAS: OS.

19 DR. STEWARD: SO ONE OF THE OTHER THINGS I
20 WANTED TO RAISE NOW, AND THE REASON I THINK IT
21 REALLY NEEDS TO BE SET ASIDE FOR THE MOMENT, IS IN
22 LOOKING AT THIS, I SEE ALL KINDS OF AREAS WHERE I'M
23 NOT SURE HOW IT ACTUALLY IS IN ACCORD WITH PROP 71
24 AND STATE LAW AND OPEN MEETING RULES AND ALL THE
25 OTHER THINGS THAT WE HAVE TO LIVE WITH. I DON'T

BARRISTERS' REPORTING SERVICE

1 KNOW HOW MUCH OPPORTUNITY LEGAL HAS HAD TO ACTUALLY
2 STUDY THIS IN REAL DETAIL. BUT BEFORE I EVEN
3 THOUGHT ABOUT IT, I WOULD WANT TO HEAR A DETAILED
4 BREAKDOWN OF THAT ISSUE.

5 DR. DULIEGE: JUST BRIEFLY, I WAS ONE OF
6 THE MEMBERS OF THIS COMMITTEE, AND INDEED, SENATOR
7 TORRES, I'M VERY SORRY THAT IT COMES AS A SURPRISE
8 TO YOU APPARENTLY BECAUSE THAT WASN'T INTENDED TO BE
9 THE CASE, AND WE HAD PLENTY OF OPEN DISCUSSION
10 WITHIN THAT COMMITTEE. BUT MORE DOWN TO THE POINT,
11 THIS WAS MEANT TO BE A DOCUMENT TO GENERATE
12 DISCUSSION, AND WE ACTUALLY HAD PLENTY OF
13 DISCUSSIONS OVER THE PAST FOUR OR FIVE MONTH. AND
14 INDEED THERE WERE VERY MANY COMMENTS, THAT SOME
15 OTHER CONSIDERATIONS MAY NEED TO BE DUG INTO AT THIS
16 POINT, BUT AT SOME OTHER TIME. PROBABLY BETTER
17 DEFER THAT DISCUSSION, BUT IT WOULD BE VERY USEFUL
18 TO OBTAIN THE FEEDBACK OF THE ICOC MEMBERS ON AT
19 LEAST THE HIGH LEVEL PICTURE ABOUT PUBLIC/PRIVATE
20 PARTNERSHIPS AND HOW WE CAN MOVE FORWARD WITH THAT
21 AND INDEED ESSENTIAL LEGAL CONSIDERATION. THAT'S
22 WHAT I WANT TO SAY. THIS IS ONLY TO GENERATE
23 DISCUSSION.

24 CHAIRMAN THOMAS: I WOULD JUST LIKE TO SAY
25 I WAS INVOLVED, AND I THINK ALAN HAD A VISION AT THE

BARRISTERS' REPORTING SERVICE

1 BEGINNING, A CERTAIN SCOPE. THAT SCOPE WAS PUT ON
2 THE TABLE, AND JIM UNDERTOOK A SEVERAL MONTH EFFORT
3 TO TRY TO VET THE ORIGINAL REQUEST AND COME OUT WITH
4 A PROPOSAL THAT HE COULD TAKE TO THE BOARD, WHICH IS
5 WHAT ALAN HAS DONE. I THINK THE ORIGINAL -- WHAT WE
6 WERE HOPING FOR WAS A BIT GRANDER IN SCOPE. WE'VE
7 ENDED UP WITH, I THINK, A REFINED SERIES OF
8 SUGGESTIONS HERE THAT REALLY NEED TO BE TESTED. AND
9 ONE OF THE KEY ISSUES HERE, JIM WAS NOT HIRED TO
10 FUND-RAISE. SO A LOT OF THIS IS SORT OF THE SENSE
11 THAT THERE ARE FOLKS OUT THERE THAT ARE INTERESTED
12 IN ENTERING INTO SOMETHING LIKE THAT. THIS NEEDS TO
13 BE TESTED. IT HASN'T BEEN.

14 THERE ARE NUMBERS OF CATEGORIES OF FOLKS
15 THAT WERE SPOKEN TO, SOME MORE AMENABLE THAN OTHERS
16 TO ENTERTAINING THE IDEA. SOME VIEWING IT AS WAY
17 TOO EARLY AND SPECULATIVE. AND I THINK THAT THE
18 ACTUAL PLAYERS AT OUR STAGE OF DEVELOPMENT WOULD
19 NEED TO BE REALLY REFINED DOWN. I THINK THERE WAS A
20 LOT OF GOOD DISCUSSION. JIM HAD A LOT OF GOOD
21 INTERVIEWS WITH PEOPLE, BUT THE SORT OF RUBBER
22 MEETING THE ROAD IS GOING TO REALLY REQUIRE SOME
23 SERIOUS CONVERSATION WITH A NUMBER OF FOLKS.

24 ALAN AND JIM KNOWS I'VE HAD A LOT OF
25 QUESTIONS ABOUT CERTAIN TYPES OF FUNDERS NOT REALLY

BARRISTERS' REPORTING SERVICE

1 BEING INTERESTED IN THIS. AND I MADE THOSE POINTS
2 VERY CLEAR. AND I THINK AS THINGS HAVE BEEN REFINED
3 DOWN, IT'S A REFLECTION -- THE SCOPE OF WHAT WAS
4 ORIGINALLY PLANNED HAS BEEN NARROWED DOWN TO
5 SOMETHING THAT ALAN AND JIM BELIEVE IS DOABLE, BUT
6 IT NEEDS TO BE TESTED. SO I THINK THAT WE SHOULD --
7 I DO THINK THIS REQUIRES FURTHER THOUGHT, A LOT OF
8 INDICATIVE DISCUSSIONS SORT OF FURTHER TO THE POINTS
9 THAT EVERYBODY HAS BEEN MAKING.

10 DR. JUELSGAARD: SO THERE ARE -- IN MY
11 OPINION, THERE ARE REALLY THREE PROPOSALS HERE,
12 THREE DIFFERENT PROPOSALS. SO ONE IS THIS
13 PUBLIC/PRIVATE PARTNERSHIP, WHICH I HAVE A NUMBER OF
14 QUESTIONS ABOUT. THE LEGAL QUESTION IS BUT ONE OF
15 SEVERAL, WHICH I THINK WOULD BE WORTH EXPLORING.
16 IT'S AN INTERESTING CONCEPT, BUT IT REALLY RAISES A
17 LOT OF QUESTIONS ABOUT ITS DOABILITY IN MY MIND, AND
18 YOU'VE PROBABLY DONE THE WORK TO ANSWER THOSE
19 QUESTIONS.

20 THE SECOND ONE IS THE ACCELERATOR FUND.
21 AND THE THING I'M LEFT WONDERING IS HOW IS THAT
22 DIFFERENT FROM ALL THE TIME WE SPENT THIS MORNING
23 WITH ELLEN WORKING ON TRYING TO ACCELERATE SIX TO
24 EIGHT PROJECTS INTERNALLY.

25 AND THEN THE THIRD IS THIS NOTION OF R & D

BARRISTERS' REPORTING SERVICE

1 SPENDING ON BARRIERS OF SOME SORTS. AND THEN THAT
2 GETS TO BE A DISCUSSION ABOUT TRADE-OFFS BETWEEN
3 WHAT OTHERWISE WE MIGHT SPEND THE MONEY ON WITHIN
4 WHATEVER MONEY WE HAVE. SO THOSE ARE KIND OF THREE
5 DISCRETE DIFFERENT DISCUSSIONS TO HAVE AS OPPOSED TO
6 JUST ONE BIG DOCUMENT.

7 SO I THINK IT'S WORTH DISCUSSING WHENEVER
8 WE GET TO DOING THESE THINGS, BUT I THINK THEY OUGHT
9 TO BE ONE BY ONE BY ONE SO WE CAN REALLY EXPLORE
10 THEM SEPARATELY BECAUSE, AS I SAID, THEY'RE REALLY
11 THREE THINGS PUT IN ONE DOCUMENT, BUT THREE VERY
12 DIFFERENT THINGS.

13 MR. GOLLUB: MIGHT I RESPOND TO YOUR
14 POINTS?

15 DR. JUELSGAARD: MY COMPLAINTS?

16 MR. GOLLUB: YOUR POINTS.

17 DR. JUELSGAARD: I DON'T HAVE ANY
18 COMPLAINTS.

19 MR. GOLLUB: I DIDN'T SAY THEY WERE
20 COMPLAINTS.

21 DR. JUELSGAARD: I'M SORRY. I DIDN'T HEAR
22 YOU.

23 MR. GOLLUB: THIS INITIATIVE WAS
24 SCRUTINIZED CLOSELY BY LAWYERS BEFORE IT STARTED AND
25 DURING ITS COURSE. THEY LOOKED AT EVERYTHING, AND

BARRISTERS' REPORTING SERVICE

1 EVERYTHING THAT'S BEEN PROPOSED IS BOTH CAREFULLY
2 INCREMENTAL FROM A PILOT TO SCALE-UP AND DESIGNED TO
3 ONLY USE METHODS THAT ARE COMPLIANT WITH PROP 71.
4 SO THAT'S NO. 1 ON THE PARTNERSHIP OR ANY OF THE
5 OTHER MATTERS.

6 ON THE ACCELERATOR, IN FACT, WHAT'S NICE
7 ABOUT THAT CONCEPT IS THAT, LIKE THE OTHER ONES, IT
8 BUILDS ON THINGS THAT CIRM HAS DONE, BUT NEVER
9 SCALED UP OR ORGANIZED IN A FORMAL WAY. SO
10 EVERYBODY WE SPOKE WITH AND ALL THE ANALYSIS WE'VE
11 DONE CONFIRMED THE NEED FOR ACCELERATOR SERVICES IN
12 THE WAY THAT WE DESCRIBED. WE DIDN'T MAKE IT UP FOR
13 FUN. BUT IT IS NOT SOMETHING THAT CIRM CAN DELIVER
14 ON THE SCALE THAT'S REQUIRED BY NUMBER OF PROJECTS.

15 SO IN OTHER WORDS, THE CDAP, WHICH IS A
16 VERY GOOD CONSTRUCT, COULD NOT DELIVER THE LEVEL OF
17 EFFORT REQUIRED TO TAKE THIS FORWARD. SO IN
18 EXAMINING THAT, IN TALKING WITH MANY DIFFERENT
19 PEOPLE, WE SAID, OKAY. WHY DON'T WE CREATE MULTIPLE
20 EQUIVALENTS OF CDAP. I DON'T LIKE TO USE THAT TERM
21 BECAUSE IT'S REALLY MORE THAN THAT IN COMBINATION
22 WITH WHAT ELSE WE DESCRIBED. SO, YES, IT'S BUILDING
23 ON CIRM COMPETENCIES AND TAKING IT FORWARD.

24 AND THE PRECOMPETITIVE INITIATIVE, IT'S
25 INTERESTINGLY STRUCTURED SO THAT IT MINIMIZES CIRM

BARRISTERS' REPORTING SERVICE

1 EXPENDITURE THROUGH SYNDICATION OF FUNDING, BUT
2 ADDRESSES CRUCIAL PROBLEMS THAT IN OUR ANALYSIS WILL
3 HOLD BACK THE PROGRESS OF MANY INITIATIVES THAT CIRM
4 IS ACTUALLY HOPING TO MOVE TO CLINICAL TRIALS.

5 SO THE ACTIONS THAT HAVE BEEN PROPOSED,
6 YOU'RE RIGHT. THERE'S THREE SEPARATE DISTINCT
7 ELEMENTS. THEY ACTUALLY FIT TOGETHER VERY NICELY.
8 AT LEAST TWO OF THEM SHOULD GO TOGETHER, WHICH IS
9 THE PARTNERSHIP AND THE ACCELERATOR, BECAUSE THE
10 FOUNDATIONS WE SPOKE TO, THE PHARMA WE SPOKE TO ALL
11 SAID YOU MUST DO THIS ACCELERATION PROCESS AND
12 INTEGRATE IT WITH THE LEVERAGED PUBLIC/PRIVATE
13 FUNDING. SO I JUST WANTED TO SAY IT ALL WORKS IN A
14 CERTAIN WAY. I HOPE YOU DO REVIEW IT SERIOUSLY.

15 MR. SWEEDLER: MR. CHAIRMAN, IF I COULD
16 JUST ADDRESS THE QUESTION DR. STEWARD RAISED. FOR
17 THOSE OF YOU WHO DON'T KNOW ME, MY NAME IS IAN
18 SWEEDLER. I'M AN ATTORNEY AT CIRM.

19 THERE WAS A LEGAL VETTING ALONG THE WAY.
20 NOW, OF COURSE, THESE ARE VERY HIGH LEVEL PROPOSALS.
21 AND AS WITH EVERYTHING THAT WE DO, THE LEGALITY IS
22 GOING TO COME DOWN TO THE DETAILS OF THE MECHANISMS
23 OF HOW WE DO IT.

24 THE STEERING COMMITTEE INCLUDED, OF
25 COURSE, ELONA BAUM, WHO BRINGS YEARS OF INDUSTRY

BARRISTERS' REPORTING SERVICE

1 EXPERIENCE; MY COLLEAGUE PAUL STEIN, WHO IS AN
2 EXTREMELY EXPERIENCED STATE GOVERNMENT LAW ATTORNEY.
3 AND THEN ALL OF CIRM'S LEGAL TEAM MEETS EVERY FRIDAY
4 TO SORT OF KICK AROUND WHATEVER ISSUES ARE BUBBLING
5 UP. AND THIS PROJECT WAS OFTEN A TOPIC OF THOSE
6 DISCUSSIONS. AND SO WHAT WE TRIED TO DO WAS ENSURE
7 THAT AT THE BIG PICTURE LEVEL, WE DIDN'T WANT JIM TO
8 WASTE HIS TIME GOING DOWN AN AVENUE THAT WAS CLEARLY
9 A NONSTARTER FROM A LEGAL SITUATION. BUT EVERYTHING
10 THAT WE'VE SEEN HERE COULD BE IMPLEMENTED IN A WIDE
11 VARIETY OF ILLEGAL WAYS AND A WIDE VARIETY OR A
12 NARROWER VARIETY OF LEGAL WAYS.

13 AND OUR APPROACH HAS BEEN START WITH
14 WHAT'S POSSIBLE, FIND OUT WHAT LOOKS LIKE IT'S GOING
15 TO WORK FROM AN ECONOMIC AND POLICY PERSPECTIVE, AND
16 THEN THE LAWYERS WILL GET TO WORK AND SEE IF THERE'S
17 A WAY TO MAKE IT WORK IN THE DETAILS. SO WE CAN'T
18 GIVE A LEGAL OPINION. IT'S JUST TOO GENERAL AT THIS
19 POINT, BUT WE'VE TRIED TO AT LEAST KEEP IT WITHIN
20 THOSE BOUNDS.

21 CHAIRMAN THOMAS: ANY OTHER DISCUSSION BY
22 MEMBERS OF THE BOARD ON THE MOTION? COMMENTS BY
23 ANYONE ON THE PHONE OR BY MEMBERS OF THE PUBLIC?
24 SEEING NONE, JAMES, DOES THIS REQUIRE -- WHAT DOES
25 THIS REQUIRE, IF ANYTHING?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: YOU COULD DO IT BY A VOICE
2 VOTE; OR IF IT APPEARS THAT WE NEED A ROLL CALL
3 BASED ON THAT VOICE VOTE, WE COULD TAKE A ROLL CALL.

4 CHAIRMAN THOMAS: LET'S GO WITH THE VOICE
5 VOTE. COULD YOU PLEASE RESTATE THE MOTION?

6 MR. HARRISON: THE MOTION, AS I UNDERSTAND
7 IT, IS TO DEFER CONSIDERATION OF THE REPORT, SUSPEND
8 FURTHER ACTIVITY, AND AWAIT FURTHER ACTION FROM THE
9 CHAIR.

10 MR. SHEEHY: ALSO SUSPEND ANY FURTHER
11 EXPENDITURE TOWARDS IT.

12 DR. DULIEGE: MAY I MAKE A COMMENT? WOULD
13 IT BE POSSIBLE THAT WE HAVE A TIMELINE FOR THIS, TO
14 DEFER THE DISCUSSION UNTIL?

15 MR. SHEEHY: I LEFT IT AT THE DISCRETION
16 OF THE CHAIR, WHICH IS THE PREFERENCE OF THE MOTION
17 MAKER.

18 DR. DULIEGE: THANK YOU.

19 CHAIRMAN THOMAS: OKAY. ALL THOSE IN
20 FAVOR OF THE MOTION PLEASE SAY AYE. OPPOSED?
21 MOTION CARRIES.

22 THANK YOU, ALAN. THANK YOU, JIM.
23 APPRECIATE ALL THE HARD WORK THAT WENT INTO THIS
24 REPORT AND WE WILL CONFER. JIM, I WANT TO HAVE
25 DISCUSSIONS AND CONFER ON POTENTIAL IDEAS GOING

BARRISTERS' REPORTING SERVICE

1 FORWARD FROM HERE BASED ON THIS.

2 OKAY. I THINK WE'VE NOW EXHAUSTED
3 OURSELVES FOR THE DAY. WE HAVE ONE MORE ITEM TO
4 CONSIDER IN THE WORKSHOP, WHICH IS THE HAPLOTYPE
5 BANK, WHICH WE'LL TAKE UP IN THE MORNING. AND THEN
6 WE'LL PROCEED TO THE BALANCE OF THE AGENDA, STARTING
7 WITH THE DISEASE TEAM AWARDS. SO WITHOUT FURTHER
8 ADO, MARIA, YOU HAVE A COMMENT?

9 MS. BONNEVILLE: I JUST WANTED TO REMIND
10 EVERYONE THAT THE VANS WILL BE LEAVING FROM THE
11 LOBBY AT 6:45 TONIGHT.

12 CHAIRMAN THOMAS: OKAY. WE STAND
13 ADJOURNED TILL TOMORROW MORNING. THANKS, EVERYBODY.

14 (THE MEETING WAS THEN CONCLUDED FOR
15 THE DAY AT 05:28 P.M. TO RECONVENE DECEMBER 12TH,
16 2013, AT 9 A.M.)

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BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

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

LUXE HOTEL
11461 SUNSET BOULEVARD
LOS ANGELES, CALIFORNIA
ON
DECEMBER 11, 2013

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
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