



**California Institute for
Regenerative Medicine**

**Citizens Financial
Accountability
Oversight
Committee
Annual Report**

**For the Year Ended
June 30, 2005**

Steve Westly

**CFAOC Chair
California State Controller**



STEVE WESTLY
California State Controller

December 28, 2006

To the People of California:

I am pleased to present the first annual report of the Citizens Financial Accountability Oversight Committee (CFAOC) to the California Institute for Regenerative Medicine (CIRM).

Proposition 71, passed by voters in November 2004, created CIRM to implement a \$3 billion stem cell research program. It is this committee's responsibility to ensure that those \$3 billion are spent efficiently and effectively on life-saving medical research.

When Washington fails, only California can lead. We are the nation's largest state and the world's sixth-largest economy. The people of California recognized Washington's failure on stem cell research and took action. We must guarantee the people's commitment and investment are not wasted.

The CFAOC was created by Proposition 71 to provide financial oversight and recommendations to CIRM. The CFAOC must meet annually to review the finances of CIRM and issue an annual report. This report follows the inaugural meeting of the CFAOC, which was held on September 14, 2006.

CIRM is still in the process of finalizing its research grants policy and will begin issuing research grant dollars in 2007. At that point, the magnitude and complexity of this committee's work will increase dramatically.

With the inaugural meeting and this initial report, the CFAOC has built a foundation to support sound financial oversight and recommendations of best practices to CIRM as it continues the search for therapies and cures.

As Californians, we all have an interest in ensuring the success of California's stem cell program, and I am honored to do my part through this committee.

Sincerely,

Original signed by:

STEVE WESTLY

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Committee Overview

History of the Citizens Financial Accountability Oversight Committee

The Citizens Financial Accountability Oversight Committee (CFAOC) was created by Proposition 71, which was approved by voters in November 2004. Proposition 71 charged the CFAOC with reviewing the financial practices and performance of the California Institute for Regenerative Medicine (CIRM) and advising CIRM on its financial practices.

Scope

The CFAOC's six-member board, chaired by the California State Controller, must annually review the financial practices and performance of CIRM. As a part of its evaluation, CFAOC members review CIRM's annual financial audit, the State Controller's evaluation of that audit and the financial practices of CIRM.

Committee Members

The Honorable Steve Westly, Chair *California State Controller*

Controller Steve Westly is the Chief Financial Officer of the sixth largest economy in the world.

Since his election in 2002, Mr. Westly has dedicated himself to finding solutions to California's problems by putting politics aside and focusing on results. Notably, as Chairman of the Franchise Tax Board, Mr. Westly spearheaded an initiative that raised \$3.5 billion to pay for state services like schools, roads and parks without raising taxes a nickel.

As Controller, Mr. Westly is the State's independent fiscal watchdog, making sure taxpayer dollars are spent to benefit the taxpayers—and no one else.

Mr. Westly sits on the boards overseeing the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), two funds with a combined portfolio of \$300 billion. Under Mr. Westly's leadership, these boards have used their influence as the two largest public pension funds in the nation to fight against corporate abuses and to promote environmentally friendly business practices.

Mr. Westly began his career in government in Washington, D.C., where he worked on Capitol Hill and for the U.S. Department of Energy under President Jimmy Carter. In the private sector, Mr. Westly was eBay's senior vice president of marketing, business development, mergers and acquisitions, and international operations. He was instrumental in expanding eBay's European markets and in developing new markets in Asia. Before joining eBay, Mr. Westly taught public management at Stanford University's Graduate School of Business, where he earned his M.B.A. He also received his B.A. from Stanford.

Mr. Westly is married to Anita Yu, and they have two children. He and his wife created the Steve and Anita Westly Foundation, a charitable organization focused on education, healthcare and the environment.

Daniel Brunner

Retired

Daniel Brunner has more than 30 years experience in health care law, policy and corporate management in both the public and private sectors. Mr. Brunner co-founded Affordable Health Care Concepts in 1983. The Sacramento-based firm, which developed highly customized PPO networks on the West Coast, introduced the concept of competitive bidding among hospitals for patient services. First Health acquired Affordable Health Care Concepts in 1987. Through January of 2005, Mr. Brunner served as Executive Vice President of First Health and as a member of its Board of Directors.

An attorney, Mr. Brunner has extensive health care experience. He served as General Counsel for the California Governor's Office of Special Health Care Negotiations and was the Legislative Officer at the Western Center on Law and Poverty, General Counsel and Deputy Director of Legal Affairs in the State Department of Benefit Payments. He was also a faculty member at UCLA and USC law schools.

Mr. Brunner earned a bachelor's degree in accounting at UCLA. He obtained his law degree from California Western University and is a member of the California Bar. In addition, he served on the boards of directors of the Sacramento Theatre Company and Capitol Public Radio. He also sits on the eminent Board of Visitors of the University of California, Davis, School of Medicine.

John Hein

Executive Director, Communities for Quality Education

John Hein is currently the Executive Director of Communities for Quality Education (CQE), a national education-advocacy organization working with parents, teachers and communities to advance a quality public schools agenda. In states across the country, CQE's unique combination of grassroots community involvement, issue advocacy and voter education has helped move education to the center of the public debate.

Prior to joining CQE, Mr. Hein served as the Associate Executive Director of the California Teachers Association, where he oversaw the political and legislative activities of one of the state's most influential organizations.

Mr. Hein is president and CEO of Hein, Cherry and Attore, a new public-policy-consulting firm based in California. He is the current president of the California Alliance for Progress, a California-based 501(c)(4) organization.

Mr. Hein has served on the boards of the California Council for Environmental and Economic Balance (CCEEB) and the Center for Collaborative Policy. He also served on the executive committee of the California Governance Consensus Project and Assembly Speaker Robert Hertzberg's commission on ballot initiative reform.

Previously, Mr. Hein has served as Assistant Executive Director of the National Education Association (NEA) and Executive Assistant to the President, American Federation of State, County and Municipal Employees, AFL-CIO. He also served on the staffs of U.S. Vice President Hubert Humphrey and U.S. Representative Clair Callan.

Mr. Hein earned his J.D. from Creighton University and his B.A. from Kearney State College in Nebraska.

Jim Lott

Executive Vice President, Hospital Association of Southern California

Jim Lott is the Executive Vice President of the Hospital Association of Southern California, where he is responsible for health care policy development, advocacy, and communication for hospitals serving Los Angeles, Orange, San Bernardino, Riverside, Santa Barbara and Ventura counties.

Prior to Mr. Lott's move to Los Angeles, he spent five years as the President and Chief Executive Officer of the Hospital Council for San Diego and Imperial counties.

Mr. Lott served for ten years as Staff Director and Chief Consultant to the Senate Committee on Health and Human Services of the California Legislature. In that capacity, he was one of the principal architects of the health care finance reforms adopted by the California Legislature in 1982. Later, he worked on President Clinton's Health Care Reform Task Force.

Mr. Lott received his undergraduate degree from Cal State L.A., his MBA degree from the University of Redlands, and he has achieved candidate status for his doctorate in Education-Organizational Leadership at Pepperdine University. He serves on the boards of the Claremont Universities Consortium, the Los Angeles Economic Development Corporation, and L.A. Care Health Plan, for which he serves as chairperson.

Myrtle Potter

Former Vice President, Genentech, Inc.

Myrtle Potter's professional experience includes 25 years of successful operating and general management experience in large global biotechnology, pharmaceutical and healthcare businesses. As an executive at Genentech from 2000-2005, Ms. Potter helped steer the company through one of the most profitable periods in its history.

While president of Commercial Operations and COO, Ms. Potter oversaw the successful launch of six products, including the blockbuster Avastin™. Prior to Genentech, Ms. Potter presided over Bristol-Myers Squibb's multi-billion dollar U.S. Cardiovascular/Metabolics Business. During her tenure, this subsidiary was the company's largest source of sales, growth and profits.

For the 14 previous years Ms. Potter worked at Merck, where she established the new pharmaceutical company Astra/Merck, Inc. (now Astra Zeneca). She also led the marketing of the prescription drug Prilosec® and set the drug on course to become the largest pharmaceutical product in the world.

In 2005, Ms. Potter established a number of real estate development businesses that operate under the Chapman name. These businesses specialize in commercial and residential real estate development in the United States and the Bahamas.

Ms. Potter has received numerous honors and accolades during her career, including recognition in 2006 by the American Diabetes Association as "Woman of the Year." In 2004 and 2005, *The Wall Street Journal* named her as one of its "50 Women To Watch." In 2003 and 2004, she was named to *FORTUNE's* "Top 50 Most Powerful Women In Business" list and to *Time* magazine's list of "Global Influentials."

Ms. Potter serves as a member of the Board of Directors for Amazon.com, Fox Hollow Technologies and Eleuthera Properties Limited. She holds a Bachelor of Arts degree from the University of Chicago.

Richard Siegal

Graves' Disease and Glaucoma Advocate

Richard D. Siegal is a successful businessman, lawyer, accountant and entrepreneur recognized for his creativity, performance and integrity. He built a company that has raised, deployed and accounted for hundreds of millions of invested dollars.

Mr. Siegal began his career practicing general law with an emphasis on trusts and estates at Maass, Davidson, Levy, Friedman and Weston in New York City. His experience with a high-profile firm provided the knowledge required to categorize monies between principal and income and to allocate these funds among classes of beneficiaries in accordance with law.

After five years of practice, Mr. Siegal joined Laventhol & Horwath as a tax manager, utilizing his experience in fiduciary law to review and supervise all fiduciary tax returns administered by this national firm. Since 1979, Mr. Siegal has served as chairman and chief executive officer of a private multimillion-dollar national energy firm.

When his wife was diagnosed twenty-five years ago with Graves' disease and later with a very aggressive form of glaucoma, Mr. Siegal self-funded research in countries throughout the world.

As a result, Mr. Siegal has been recognized for his commitment and knowledge of medical science related to stem cell research, Graves' disease and glaucoma. Mr. Siegal's research includes work with scientists at Harvard, M.I.T., Yale, Northwestern, Stanford, UCSF, Columbia Presbyterian Hospital, and the Weismann Institute in Israel.

Mr. Siegal graduated with a Bachelor of Science degree from the University of Virginia and an L.L.B. degree from the University of Virginia Law School. He also studied taxation at the NYU Graduate Law School.

Oversight of the California Institute for Regenerative Medicine

When Proposition 71 created CIRM, it also established a structure to oversee CIRM and the taxpayers' bond money. The Independent Citizens Oversight Committee (ICOC) consists of 29 members appointed by statewide elected officials and Legislative leaders. The ICOC is the board that oversees CIRM itself. ICOC members include scientists, physicians, business people, university administrators and patient advocates.

Proposition 71 also created working groups to provide oversight for policies, grants administration and facilities.

In addition, Proposition 71 required CIRM to contract for an independent audit, which is to be reviewed by the State Controller's Office. Proposition 71 created the CFAOC to provide financial oversight through annual meetings, and to review the independent audit and Controller's review of that audit.

Proposition 71 also stated that the Legislature may not take any action to amend the government code regarding CIRM or pass any bills affecting CIRM for a period of three calendar years after the adoption of Proposition 71.

First Annual Meeting

Meeting Details

The first annual meeting of the Citizens Financial Accountability Oversight Committee was held on September 14, 2006, in the auditorium of the California Public Utilities Commission at 505 Van Ness Avenue in San Francisco. Five of the six members were in attendance. Richard Siegal was absent.

Financial Presentations

The Committee heard presentations regarding the independent audit of CIRM, the State Controller's Office's review of that audit, and a general overview of CIRM's current financial state.

Independent Audit

CIRM Chief Administrative Officer Walter Barnes delivered the first presentation, describing the independent audit's findings. The audit, conducted by Gilbert & Associates, covered the period from CIRM's inception to the end of its first fiscal year on June 30, 2005. During this period, CIRM had only two sources of revenue. One was a loan of \$3 million from the Proposition 71 Committee. The other was a private donation of \$5 million from the Dolby Family Foundation.

The audit offered an unqualified opinion, meaning the auditors found no material issues or errors with CIRM's financial practices.

In addition, Gilbert & Associates made two recommendations. First, its auditors advised CIRM to prepare its own financial statements for review, as opposed to presenting the auditors with raw data. Second, they urged CIRM to obtain signatures from ICOC members to confirm their understanding of conflict of interest rules. The auditors noted that while the ICOC had unanimously adopted a conflict of interest code and provided copies of that code to members and staff, there was no mechanism for members to acknowledge receipt and compliance with the policy.

The Gilbert & Associates audit report can be found online at the following Web address: <http://www.sco.ca.gov/eo/cfaoc/meetings.shtml>.

State Controller's Office Review

The second presentation was from Casandra Moore-Hudnall of the State Controller's Office (SCO). Proposition 71 requires the State Controller's Office to review the annual audit to evaluate its quality. Ms. Moore-Hudnall's investigation found Gilbert & Associates' audit to be in accordance with audit standards. She also found that the auditors' working papers supported their eventual conclusion.

The SCO review made three recommendations to CIRM. First, the review noted that the independent audit was not performed according to generally accepted government auditing standards (GAGAS), issued by

the Comptroller General of the United States. The review noted that GAGAS is the standard for government auditing and provides information about internal controls.

The SCO also recommended that CIRM capitalize all individual assets with a purchase price over \$5,000, in accordance with the University of California procurement guidelines. The review noted that a \$15,000 copier was listed as a current expense and not capitalized.

The SCO review also recommended that CIRM address a concern that Gilbert & Associates would not allow the SCO auditors to keep Gilbert & Associate's working papers in SCO files, saying the documents were trade secrets. While Gilbert & Associates did not deny any access, the SCO views the firm's insistence on exclusivity as a significant problem for future audits.

In response to Ms. Moore-Hudnall's presentation, Mr. Barnes offered a response from CIRM. Mr. Barnes indicated that CIRM had agreed with and incorporated the SCO review's first two recommendations. He also told the committee that as a result of the concern over document retention raised by the SCO, CIRM had terminated its contract with Gilbert & Associates and had issued a Request for Proposal (RFP) for a new auditor. The new RFP would require all working papers to be made available to the SCO for its records.

The SCO report can be found online at the following Web address: <http://www.sco.ca.gov/eo/cfaoc/meetings.shtml>.

Financial Overview

Mr. Barnes delivered an additional presentation to provide an overview of CIRM's financial practices. He emphasized that, despite the unique nature of CIRM, it still has to abide by the State's accepted financial procedures and is doing so.

Mr. Barnes explained that the SCO performs many of the financial and accounting services for CIRM through an inter-agency agreement and that procurement, accounting, hiring and other activities are done in compliance with regulations that apply to all State agencies.

CIRM also provides its budget to the Department of Finance (DOF); the CIRM travel budget is subject to DOF approval, as is the case with other state agencies.

Mr. Barnes described a unique aspect of CIRM's finances, noting that per Proposition 71, CIRM's funding is continuously appropriated and does not require approval from the Legislature. Proposition 71 also provided for CIRM to accept donations, and it imposed spending limits on the operational costs of CIRM. Mr. Barnes also addressed the role of the ICOC and CFAOC as oversight committees created by Proposition 71.

Mr. Barnes described in detail the compensation policy of CIRM and how it was adopted by the ICOC.

With regard to donations, Mr. Barnes explained the various types of donations CIRM can receive and the process for monitoring those funds.

Mr. Barnes discussed the three percent cap on administrative costs imposed by Proposition 71 and outlined how CIRM is adhering to that requirement.

He also outlined anticipated sources of income, including future donations and a loan authorized by the governor.

Finally, Mr. Barnes discussed the issuance of training grants and the process to screen applicants and award grants, in addition to the process for verifying the work that grantees are doing for CIRM.

A summary of Mr. Barnes' report can be found online at the following Web address: <http://www.sco.ca.gov/eo/cfaoc/meetings.shtml>.

Committee Actions

CFAOC members voted on two issues during the meeting. Committee member Jim Lott moved not to seek an exemption from the requirement that committee members make financial disclosures on the Fair Political Practices Commission's Form 700. The motion was seconded by Daniel Brunner and passed with four yes votes and one no vote. As a result, CFAOC members were required to file Form 700s within 30 days.

The second motion, also made by committee member Jim Lott and seconded by Daniel Brunner, was to approve the three recommendations contained in the SCO report and the two recommendations contained in the Gilbert & Associates report. The motion passed unanimously.

Public Comments

John Simpson of the Foundation for Taxpayer and Consumer Rights addressed the CFAOC before the committee members took the Oath of Office to question the qualifications of one of the members. Controller Westly called on counsel from the Attorney General's Office to respond. Deputy Attorney General Leslie Lopez advised that the concern should be raised with the CFAOC's appointing authority.

Dr. Xianmin Zeng was then asked to take the podium by Controller Westly, who recognized Dr. Zeng for coming to work at California's Buck Institute due to the promise that stem cell research holds. Dr. Zeng said she is happy to be in California after performing embryonic stem cell research at the National Institutes of Health, where research opportunities were limited by federal policy.

Mr. Simpson also commented on the motion by Jim Lott to not seek an exemption from financial disclosure requirements. Mr. Simpson said CIRM is setting policy for the rest of the country to follow and must be transparent.

Controller Westly acknowledged another comment submitted in writing by David Jensen, who could not attend. Mr. Jensen urged the committee not to seek an exemption from disclosure requirements. Mr. Jensen's letter was made available at the meeting.

Mr. Simpson commended CIRM for its refusal to accept Gilbert & Associates' opposition to full record-retention by the SCO. He also expressed approval of the staff's responsiveness in handling a problem with a Web site posting. Finally, he recognized Mr. Barnes for his contributions to the State and CIRM. Subsequent to the meeting, Mr. Barnes retired after more than 42 years of state service.

Bob Klein, Chairman of the ICOC, thanked Controller Westly and his staff for their work on behalf of CIRM and acknowledged the Controller for repeatedly contributing to CIRM policies. Mr. Klein recognized the Dolby family for their donations. Mr. Klein then thanked the Controller and the State Treasurer for their service on the committee that oversees bond financing for CIRM.

Dr. Zach Hall, President of CIRM, thanked Controller Westly and the members of the CFAOC for their service. He explained that the process is already underway to utilize the \$150 million loan approved by the Governor to fund research grants. Dr. Hall also thanked Mr. Barnes for his service.

Don Reed of Californians for Cures thanked the members of the Committee for their work. Mr. Reed spoke about his son, who was paralyzed in a football accident, and his hopes that stem cells might someday contribute to helping his son walk again.

Mr. Simpson thanked the committee and said he would continue to monitor the developments at CIRM and its committees.

Committee Discussion

The committee discussed the timing of the second annual independent audit and its impact on the next meeting of the CFAOC. Controller Westly agreed to keep members updated on the audit progress and its impact on the next CFAOC meeting.

The Committee also acknowledged Mr. Barnes.

Post-Meeting Updates

Award of Contract for Second Annual Audit

CIRM is required to contract with an independent auditor to perform an annual review of its finances. CIRM issued a Request for Proposal for a new auditor for FY 2005-06. The contract was awarded on October 24, 2006, to the Sacramento-based firm of Macias, Gini and O'Connell, LLP. The contract specified that the firm's work must be complete by January 5, 2007.

When the independent audit is complete, the State Controller's Office will review the audit and issue its own report. The CFAOC will review both reports at its next meeting.

Letter from Controller Westly to CIRM

In response to discussions at the September 14, 2006, meeting, Controller Westly wrote a letter to the Intellectual Property Committee of CIRM (Appendix A) asking that it consider a model for issuing research grants used by the Milken Institute. The Milken Institute model provides for streamlined grant processing in return for the researcher's agreement to share findings with the scientific community. Issuing funding in a streamlined fashion allows the Milken Institute to attract scientists who are sometimes discouraged by slower processes. By requiring information sharing, the Milken Institute hopes to facilitate additional research.

Response from CIRM President

Dr. Hall responded to the Controller's letter (Appendix B) and offered to provide an update on grant policies at the next meeting of the CFAOC. Dr. Hall's response stated the Intellectual Property Committee and the grants administration team at CIRM had already considered the Milken Institute model and other similar suggestions and has incorporated the "best practices" into CIRM policies.

Bureau of State Audits Report

The Bureau of State Audits (BSA) is currently auditing CIRM in response to a February 2006 request from the Legislature. The BSA conducts a performance audit intended to evaluate the implementation of Proposition 71 and the performance of CIRM and its governing body, the ICOC. The audit includes, but is not limited to, evaluating laws and regulations; reviewing CIRM's strategic plan and related policies; reviewing policies and procedures for issuing grants, hiring staff, procuring goods and services, avoiding conflicts of interest; and incorporating management controls.

The audit is expected to be completed in February 2007. Findings from the BSA audit may be relevant to and included in discussion and presentations during the next CFAOC review of CIRM finances.

**Appendix A—
Letter from Controller Westly to CIRM**

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STEVE WESTLY
California State Controller

October 3, 2006

Ed Penhoet, Ph.D.
Chairman, Intellectual Property Task Force
Independent Citizen's Oversight Committee
210 King Street, 3rd Floor
San Francisco, CA 94107

Dear Chairman Penhoet:

Several prominent medical research organizations are encouraging collaboration among researchers through an innovative approach to awarding grants. They are offering researchers a faster mechanism for receiving research dollars, in conjunction with a requirement that they share their findings annually with other grantees.

At the first meeting of the Citizens Financial Accountability Oversight Committee (CFAOC) on September 14, I raised this approach as one that could ensure accountability for stem cell grants, as well as encourage greater innovation in stem cell research. I urge the Task Force to explore this approach, and I invite you to discuss your findings with the CFAOC at our next meeting.

I believe that this approach offers many benefits. The grant-making process employed by many institutions can consume up to three years, from the time a researcher begins an application to the time the funds are awarded. This is simply too long a timeframe for research as critical as that being funded by the stem cell initiative. We need cures now.

I understand that the California Institute for Regenerative Medicine (CIRM) is currently issuing grants at a much faster pace than many other organizations. However, there is no formal policy in place to ensure that this aggressive timeframe continues. I urge you to evaluate whether formally adopting a streamlined approach to grant-making is in the best interest of Californians.

It is important to note that this approach also requires annual disclosure of findings by grantees, in exchange for the expedited funding timeframe. Requiring annual disclosure of a grantee's research ensures that all stem cell grantees will have access to one another's valuable findings and discoveries.

Based on the positive experience of the organizations that use this approach, including the Prostate Cancer Foundation, I believe CIRM should determine the feasibility of adopting a similar grant process. I request that the Task Force review the policies and practices of medical research organizations that use this approach in order to consider the following:

- the impact on researchers who agree to share findings, including their productivity;
- any possible correlation between the streamlined grant process and development of findings and cures;
- insight from researchers who opted against applying for funds because of the streamlined grant process;
- trends in the number of grant applications at these organizations that have adopted streamlined grant process.

Our priority must be to ensure that the taxpayer funds granted by CIRM are used in the most effective manner possible. When Californians voted overwhelmingly in 2004 to pass the Stem Cell Initiative, they did so because they believed in the power of stem cell research to find cures and save lives. It is our responsibility to explore all approaches to research funding that could bring us closer to that goal.

Please contact Lisa Casalegno at 916-445-2636 or lcasalegno@sco.ca.gov if you have any questions.

Sincerely,

Original signed by:

STEVE WESTLY

SW:ah/lf

cc: Members, Intellectual Property Task Force

**Appendix B—
Letter from CIRM to Controller Westly**

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October 4, 2006

The Honorable Steve Westly
California State Controller
P.O.Box 942850
Sacramento, CA 94250

Dear Controller Westly:

Thank you for your letter of October 3 to Dr. Ed Penhoet, Vice Chair of the Independent Citizens Oversight Committee (ICOC) with regard to the grants program of the California Institute for Regenerative Medicine (CIRM). Because the letter involved the mechanism by which we fund grants, Dr. Penhoet has forwarded it to me for reply.

We are very proud of the procedures for reviewing and funding grants that have been adopted by the ICOC, based on Proposition 71. As you point out, we are issuing grants at a much faster pace than most other organizations. Our Training Grant Awards, for example, were made within four months after the Request for Applications was issued. This is faster than the NIH process which typically takes nine months, and much, much faster than the three year timeframe that you mention in your letter.

We are dedicated to accelerating research by making awards as quickly as possible. We are also deeply aware of our responsibility to ensure that the awards we make represent the best possible use of the State's money. For these reasons, we use a confidential peer review system, as described in Proposition 71. I would be delighted to describe in detail the process that we use at the next meeting of the Citizens Financial Accountability Oversight Committee meeting, should the opportunity arise.

We are also very concerned that our grantees disclose the findings that they have made and would be happy to describe the measures that we have taken to ensure that they do.

We appreciate your interest in CIRM and your strong support of our activities.

I would be happy to discuss these matters further with you at your convenience.

With best regards,

Original signed by:

Zach W. Hall, Ph.D.
President

cc: Robert Klein
Ed Penhoet, Ph.D.

**Citizens Financial Accountability Oversight Committee
to the
California Institute for Regenerative Medicine**

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