

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
*See* Instruction  
1(b).

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

1. Name and Address of Reporting Person \*  
KOSHY GEORGE

2. Issuer Name **and** Ticker or Trading Symbol  
STEMCELLS INC [STEM]

### 5. Relationship of Reporting Person(s) to Issuer

(Last) (First) (Middle)

C/O STEMCELLS, INC., 3155  
PORTER DRIVE

3. Date of Earliest Transaction  
(Month/Day/Year)  
06/01/2011

(Check all applicable)

<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
<input type="checkbox"/> Officer (give title below)	<input checked="" type="checkbox"/> Other (specify below)

chief accounting officer

(Street)

PALO ALTO, CA 94304

4. If Amendment, Date Original  
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing (Check  
Applicable Line)  
 X  Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting  
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D) Price			
Common Stock	06/01/2011		F <sup>(1)</sup>		9,170	D \$ 0.6579	159,166 <sup>(2)</sup>	D	
Common Stock							43,539	I	By 401(k) Plan <sup>(3)</sup>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

# Edgar Filing: KOSHY GEORGE - Form 4

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KOSHY GEORGE C/O STEMCELLS, INC. 3155 PORTER DRIVE PALO ALTO, CA 94304				chief accounting officer

## Signatures

/s/ Ken Stratton,  
attorney-in-fact

06/03/2011

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) This is recorded as a Code F disposition because the shares were used by the reporting person to pay a tax liability incurred by him from the delivery of shares incident to the vesting of restricted stock units.
- (2) Includes (1) 75,000 restricted stock units, with 25,000 vesting on each of June 1, 2012, June 1, 2013 and June 1, 2014 and (2) 27,800 restricted stock units, with 13,900 vesting on each of May 15, 2012 and May 15, 2013.
- (3) Shares held in 401(k) account, in accordance with issuer's employer-match policies.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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