

**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

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(Print or Type Responses)

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)  
03/16/2010

(Check all applicable)

|                                          |                                    |
|------------------------------------------|------------------------------------|
| <u>      </u> Director                   | <u>      </u> 10% Owner            |
| <u>      </u> Officer (give title below) | <u>  X  </u> 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)  
☒ 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<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed Execution Date, if any<br>(Month/Day/Year) | 3. Transaction Code<br>(Instr. 8) | 4. Securities Acquired (A) or Disposed of (D)<br>(Instr. 3, 4 and 5)      | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I)<br>(Instr. 4) | 7. Nature of Indirect Beneficial Ownership<br>(Instr. 4) |
|------------------------------------|-----------------------------------------|-------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|
| Common Stock                       | 03/16/2010                              |                                                       | S                                 | V      Amount      (A) or (D)      Price<br>15,850      D      \$<br>1.21 | 98,100 <u>(1)</u>                                                                                | D                                                           |                                                          |
| Common Stock                       |                                         |                                                       |                                   |                                                                           | 30,930                                                                                           | I                                                           | By 401(k) Plan <sup>(2)</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<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and<br>Amount of<br>Underlying<br>Securities<br>(Instr. 3 and 4) | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Nu<br>Deriv<br>Secur<br>Bene<br>Own<br>Follo<br>Repo<br>Trans<br>(Instr |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V (A) (D)                                                                                                          | Date<br>Exercisable                                            | Expiration<br>Date                                                        | Title                                               | Amount<br>or<br>Number<br>of<br>Shares                                     |

## Reporting Owners

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

## Signatures

/s/ Ken Stratton,  
attorney-in-fact

03/18/2010

\_\_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) Includes (1) 55,600 restricted stock units, with 1/4 vesting on each of the four anniversaries following the May 15, 2009 grant date and (2) 27,500 restricted stock units, vesting on March 10, 2011.

(2) 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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